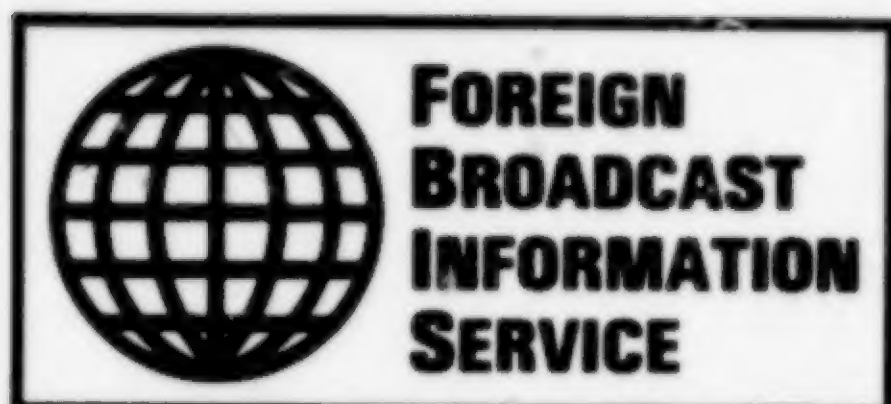




Daily Report

East Asia

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Japan

Embassy Official Discusses Japan's Gulf Aid

OW1912040790 Tokyo KYODO in English 0331 GMT
19 Dec 90

[Text] Washington, Dec. 18 KYODO—U.S. President George Bush is to brief ambassadors from Japan, Germany and other countries which have made financial contributions to the multinational coalition of forces aligned against Iraq in the Middle East, a top diplomatic source said Tuesday.

The source said such a briefing is under consideration but declined to say when it will take place.

On Monday, Bush met with ambassadors from 28 countries which have committed troops to the Persian Gulf region following Iraq's invasion of Kuwait on August 2.

U.S. officials told Japan, Germany and other countries which were not invited to the Monday briefing that these countries are not being neglected, according to the source who spoke on condition of anonymity.

In a related development, Takayuki Kimura, deputy chief of mission at the Japanese Embassy here, arranged a press conference in Washington on Tuesday briefing reporters about Japan's contributions over the Gulf crisis.

Kimura said three of Japan's political parties, including the ruling Liberal Democratic Party [LDP], will introduce a bill which would permit Japan to contribute to the United Nations peacekeeping operations.

Kimura defended Japan's 4.02 billion dollars contributions to the anti-Iraqi campaign, saying, "We are hoping that our contributions will be appreciated."

"People often say that Japan is dependent on oil, therefore, Japan should spend more," he said. "But that, I think, is a somewhat misleading argument."

Japan has so far pledged to extend 2 billion dollars of financial support to the U.S.-led multinational forces in the Gulf. It also promised to provide another 2 billion dollars of economic assistance to the so-called frontline states hard hit by the U.N.-approved economic sanctions against Iraq, particularly Egypt, Jordan, and Turkey.

The cabinet of Prime Minister Toshiki Kaifu proposed legislation aimed at sending abroad noncombat troops from the Self-Defense Forces [SDF] to assist in international peacekeeping operations. But the legislation was killed in the House of Representatives last month.

The LDP, Komeito, and the Democratic Socialist Party agreed at that time to enact separate legislation on Japan's personnel contributions in the U.N. peacekeeping activities but to exclude SDF staff.

U.S. Presence in Asia-Pacific Region Encouraged

OW1912113690 Tokyo KYODO in English 0725 GMT
19 Dec 90

[Text] Tokyo, Dec. 19 KYODO—Japan should make active efforts to ensure a continued U.S. military presence in the Asia-Pacific region, including its stationing of forces in Japan, Vice Foreign Minister Takakazu Kuriyama said Wednesday.

"This is a time in which it has become necessary to actively draw America into the Pacific," Kuriyama said in a meeting with reporters at the Japan National Press Club.

Kuriyama, the Foreign Ministry's hands-on administrator, said until the recent end to the Cold War the United States had not needed prodding from Japan to maintain its high-profile military presence in the western Pacific. "But with the rapidly diminishing threat from the Soviet Union, there has developed for the first time in the postwar period a real possibility that if neglected, the U.S. could withdraw, saying 'let's leave Asia for the Asians to deal with'," Kuriyama said.

"That would not be a good thing for us," he cautioned.

Kuriyama said that he was referring to sentiments expressed by some sections of the American public, not U.S. Government leaders.

U.S. Congressmen dissatisfied with Japan's level of defense "burden sharing" and its response to the Persian Gulf crisis have been calling for a gradual withdrawal of U.S. forces from Japan if Tokyo does not agree to foot the entire bill.

Japan has said it plans a gradual expansion of its host-nation support from the current 35 percent to 50 percent of total costs under a burden-sharing scheme to be implemented from fiscal 1991, which begins in April.

Kuriyama said in the near future, U.S. forces in the region are "absolutely necessary." He added that it is natural for them to look to their allies who benefit from an U.S. presence to help out with the costs.

Kuriyama had responded to a reporter's suggestion that the best contribution Japan could make in answer to U.S. demands for greater Japanese burden sharing in the world would be to ask American troops to leave Japan.

Okinawans Protest Live Shelling Exercise by U.S.

OW1912101390 Naha OKINAWA TIMES in Japanese
18 Dec 90 Evening Edition p 7

[Text] Kin—The Okinawa People's Council to Defend the Constitution and Oppose the Security Treaty (chairman: Yoshiharu Arakaki) and the United Action Liaison Council to Defend Livelihood and Democracy (chairman: Masao Miyagi) staged rallies in Kin Town on the morning of 18 December, protesting a live shelling exercise being conducted by the U.S. Marine Corps in Okinawa after blocking traffic on prefectural highway 104.

The United Liaison Council to Defend the Constitution and Oppose the Security Treaty staged a rally in front of Camp Hansen after 0710 on the morning of 18 December with the participation of about 40 people. Speaking at the rally, Chairman Miyagi said: "With unending anger, I want to protest this large-scale and dangerous exercise which is using seven gun positions. Let us unite to wage a fight against this savage exercise by U.S. forces with the advent of the reformist prefectural administration as a starting point." At the rally, he also condemned the exercise, which was conducted in defiance of the prefectural government's request that the exercise be halted.

The Okinawa People's Council to Defend the Constitution and Oppose the Security Treaty staged a rally in Igeitakadai after 0800 on the morning of 18 December with about 70 people participating. At the rally, Chairman Arakaki said: "Let us expand our fight and expand the participation of residents who oppose military bases and seek peace." At the rally, after appealing for unity, he stressed that the key task for 1991 will be the fight against the renewal of land lease contracts for military bases which expire in 1992.

Ota, USFJ Commander Discuss Military Bases

*OW1912101590 Naha OKINAWA TIMES in Japanese
18 Dec 90 Evening Edition p 1*

[Text] Lieutenant General James Davis, commander of U.S. Forces in Japan [USFJ], paid a courtesy call on Okinawa Prefectural Governor Ota on the morning of 18 December. During the meeting, Prefectural Governor Ota appealed for a solution to various problems caused by military bases in Okinawa. This was the first meeting between the prefectural governor and the USFJ commander.

Lieutenant General Davis, who arrived at 0900 on 18 December, appeared somewhat strained during the meeting with the new prefectural governor, who won the recent gubernatorial election with the campaign promise of "withdrawal of all military bases from Okinawa." After shaking hands, the commander said: "I am aware of the Okinawans' feelings about military bases. U.S. forces and Okinawans have maintained a special and deep relationship through the military bases." Thus, the commander touched on problems involving the military bases and spoke of the U.S. forces' position on maintaining the military bases.

In response, Prefectural Governor Ota explained the Okinawan position, saying that "Okinawans suffer from various problems caused by military bases."

Oshiro, director of the governor's Executive Office, and Councillor Shinomiya held a news conference after the meeting. According to them, Lieutenant General Davis said: "With regard to the bases, we can say that there were achievements for Okinawa this year. This year the decision was made to return 23 military sites. Regarding training, U.S. forces on Okinawa are making efforts to conduct training in nations other than Okinawa. Eighty percent of

the training is being conducted in the Philippines. The Air Force on Okinawa is conducting 60 percent of its training in other places; the Army on Okinawa is conducting 50 to 60 percent of its training in other places. Tough selection criteria are being applied to military personnel assigned to Okinawa." The commander is said to have added: "I hope that the Okinawa Prefectural Government will continue talking to the commander of U.S. forces on Okinawa while maintaining close contacts."

During the meeting, Prefectural Governor Ota requested that the commander raise the ceiling on the number of Okinawan students allowed into on-base schools. In reply, the commander indicated his positive attitude toward raising the ceiling, saying that "Okinawa is playing an important role in U.S.-Japan relations."

No Agreement With U.S. on Legal Market Access

*OW1812145490 Tokyo KYODO in English 1433 GMT
18 Dec 90*

[Text] Tokyo, Dec. 18 KYODO—Japan and the United States were unable to reach agreement Tuesday on increasing foreign access to Japan's legal market, Japanese officials said.

During two days of working-level negotiations, Japan rejected a U.S. proposal that it end its ban on the hiring of Japanese attorneys by foreign legal firms based here.

Japan was also unwilling to yield on the question of allowing joint partnerships with foreigners in domestic law firms, the officials said.

Japan, however, said it will seriously consider the possibility of allowing attorneys from foreign law firms to use their firm's name when operating in Japan.

The U.S. expressed the hope that negotiations will resume in early January but the Japanese side has not yet decided on the matter, the officials said.

Japan allowed foreign lawyers to start working in Japan in April 1987 but they are presently confined to matters pertaining to their national laws.

Bank Says U.S. Discount Rate Cut 'Appropriate'

*OW1912013390 Tokyo KYODO in English 0022 GMT
19 Dec 90*

[Text] Tokyo, Dec. 19 KYODO—A Bank of Japan source said Wednesday that the U.S. official discount rate cut announced on Tuesday is appropriate since it is not expected to have an adverse impact on the foreign exchange and financial markets.

"The dollar's exchange rate is firm, and the market has already discounted an easing of the U.S. monetary policy," he said.

The U.S. Federal Reserve Board announced Tuesday afternoon that it will reduce the official discount rate to 6.5 percent from 7.0 percent, effective Wednesday.

The source said Japan's monetary policy will not be affected by the U.S. move and the Bank of Japan will maintain its tight grip on credit.

"If Japan's monetary authority succumbs to possible pressures to drive down interest rates at a time when domestic prices are stable and the 'bubble' or bloated economy has been on a corrective phase, it will regret (the decision to cut money rates)," said the source who asked for anonymity.

"The Bank of Japan will keep watching the effects of a series of hikes in Japan's official discount rate in the past," he said.

Nakayama Conveys Aid Package to Soviet Envoy

*OW1912052790 Tokyo KYODO in English 0453 GMT
19 Dec 90*

[Text] Tokyo, Dec. 19 KYODO—Foreign Minister Taro Nakayama on Wednesday conveyed Japan's emergency aid package, including 1 billion yen worth of food and medical supplies, to Soviet Ambassador to Japan Lyudvig Chizhov.

Nakayama, meeting the Soviet envoy at the Foreign Ministry, said that Japan decided to provide the Soviet Union with emergency assistance on humanitarian grounds, according to ministry officials. He also expressed hope that the Japanese assistance will be efficiently and fairly distributed among Soviet citizens.

In response, Chizhov, expressing gratitude for the Japanese assistance, said that Moscow has taken all possible measures to control aid commodities from foreign nations to fairly distribute them, according to the officials.

Chief Cabinet Secretary Misoji Sakamoto on Tuesday announced Japan's aid package, which will also include 100 million dollars worth of credit.

In announcing the aid programs, Sakamoto said the assistance should not be construed as a change in Japan's policy of refusing financial aid to the Soviet Union until a territorial dispute over ownership of four islands northeast of Hokkaido is resolved.

Lithuania's Prunskiene To Begin Visit 21 Dec

*OW1912122590 Tokyo KYODO in English 1120 GMT
19 Dec 90*

[Text] Tokyo, Dec. 19 KYODO—Lithuanian Prime Minister Kazimiera Prunskiene will pay a three-day unofficial visit to Japan from Friday, sponsors of her visit said Wednesday.

Prunskiene will be meeting with members of Japan's business and banking community during her brief stay in Tokyo, said an official of Waco Corp., a Japanese trading company that invited the leader of the breakaway Soviet republic.

Foreign Ministry officials said that they have received no request from Lithuanian representatives for a meeting with Japanese Government officials, but would give it consideration if a request was received.

Prunskiene will be the first leader from one of the three rebellious Baltic republics to visit Japan.

Agreement Reached With Iran on Crude Oil Prices

*OW1912142490 Tokyo KYODO in English 1358 GMT
19 Dec 90*

[Text] Tokyo, Dec. 19 KYODO—Japan and Iran have agreed on crude oil prices for the first quarter of next year, industry sources said Wednesday.

The price of Iranian light, for which demand is strong, was raised by 15 cents per barrel while that of unpopular heavy oil was lowered by 1.25 dollars per barrel, the sources said.

The two countries set the price of Iranian light during the September-December period at 35 cents above the monthly average price on the Oman spot market while that of heavy oil was set 25 cents higher than the monthly average price on the Dubai market.

From January, the sources said, Iranian light will be priced 50 cents higher than the Oman spot market average while heavy oil will be 1 dollar below the Dubai level.

Iran drastically raised crude oil prices in September and later after it increased crude oil production in the wake of Iraq's August 2 invasion of Kuwait.

Japan doubled its crude imports from Iran to 700,000 barrels per day for the September-December period.

The sources said Iranian oil prices will fall to those offered by Saudi Arabia after January, subject to movements on the spot market.

Takeshita, Abe: Leave Cabinet Reshuffle to Ozawa

*OW1912120990 Tokyo NHK General Television
Network in Japanese 1000 GMT 19 Dec 90*

[Text] Former Prime Minister Takeshita and former Liberal Democratic Party [LDP] Secretary General Abe held talks this evening. Regarding the reshuffle of the Kaifu Cabinet, which is a focus in the present political situation, the two agreed to leave the handling of the Cabinet reshuffle to LDP Secretary General Ozawa. During the talks, former LDP Secretary General Abe expressed his view that there will be difficult problems like the ordinary Diet session and President Gorbachev's visit to Japan next year, and it would be better to reshuffle the Cabinet to keep the LDP together. After judging that political schedules will be tight for the time being, however, the two agreed to leave the handling of the Cabinet reshuffle to LDP Secretary General Ozawa.

As a result, the two will watch for what Prime Minister Kaifu decides on the Cabinet reshuffle during talks with LDP Secretary General Ozawa. Remarks by former LDP Secretary General Abe at the talks are believed to express anew his view that it is desirable to reshuffle the Cabinet before the end of the year. Prime Minister Kaifu, however, has made up his mind to postpone any reshuffle until after this year and that efforts will be made to alter the views of government and LDP officials.

Government Decides on Size of 5-Year Defense Plan

*OW1912121590 Tokyo KYODO in English 1047 GMT
19 Dec 90*

[Text] Tokyo, Dec. 19 KYODO—The government decided Wednesday to set the size of spending for the next five-year defense build-up program covering fiscal 1991-96 at 22.7 trillion yen, government officials said.

The government will formalize the decision, reached at a meeting of the Security Council, at meetings between the council and the cabinet on Thursday, the officials said.

The annual growth of defense outlay for the next five years will average 2.9 percent, compared with an average 5.5 percent rise in the current 18.4 trillion yen five-year defense plan expiring in March 1991.

The annual growth rate of defense expenditure was reduced because certain international tensions have relaxed somewhat and because the target set by the 1976 national defense program outline has been achieved, government sources said.

Panel Approves Cut in Consumer Rice Price

*OW1912120790 Tokyo KYODO in English 1038 GMT
19 Dec 90*

[Text] Tokyo, Dec. 19 KYODO—A government advisory panel on Wednesday gave the green light to a proposal calling for a 1.0 percent cut in the consumer rice price for the 1990 crop, government officials said.

The consumer rice price is a price at which the government sells the rice it purchased from rice growers to wholesalers. The government regulates and subsidizes the domestic rice market, buying much of the rice crop and reselling it at lower prices.

The approval by the Rice Price Council, if implemented, would mark the first reduction in the consumer rice price in two years and take effect next February, the officials said.

The advisory panel, which serves the minister of agriculture, forestry and fisheries, also endorsed plans to slash the consumer rice price by 566 yen per 60 kilograms for the 1989 crop and by 1,030 yen for the 1988 crop, they said.

Among other recommendations, the council suggested that an average 5.1 percent cut be implemented in the price at which government sells wheat and barley to wholesalers.

The government is slated to give a final go-ahead to the recommendations by the council at a cabinet meeting on Thursday, the officials added.

Diplomat Resigns Post Due to Bribery Scandal

*OW1712152790 Tokyo KYODO in English 1412 GMT
17 Dec 90*

[Text] Tokyo, Dec. 17 KYODO—Takeo Suzuki, a counselor at the Japanese Embassy in Seoul until he was recalled on suspicion of involvement in a bribery scandal, resigned his position Monday as a chief superintendent at the National Police Agency (NPA).

He was on assignment to the embassy from Japan's National Police Agency.

Suzuki, 44, allegedly demanded money from the head of a trade company in Fukuoka Prefecture, southern Japan, after he helped the businessman get back 2 million yen of the 11 million yen he advanced to two Korean businessmen in a failed business deal.

The Fukuoka businessman said he handed over 2 million won (approximately 400,000 yen) to the diplomat at the embassy in mid-October. Suzuki allegedly pocketed 400,000 won (80,000 yen) while promising to pay the rest of the money to a South Korean prosecutor who helped in retrieving the 2 million yen.

Suzuki was called back from Seoul and moved to the NPA's police administration bureau on November 30, when the Foreign Ministry suspended him from his embassy position for three months because of his alleged involvement in the bribery scandal.

LDP Urges Stronger International Role in Budget

*OW1912030590 Tokyo KYODO in English 0204 GMT
19 Dec 90*

[Text] Tokyo, Dec. 19 KYODO—The ruling Liberal Democratic Party (LDP) on Wednesday demanded that measures to strengthen Japan's contributions to international peacekeeping activities be included in the budget for fiscal 1991 starting next April.

The LDP made the call in its policy outlines for the 1991 national budget adopted by the party's decision-making Executive Council.

The government will complete the compilation of the 1991 budget, which is expected to top the 70 trillion yen mark for the first time, on December 29.

In its policy outlines for the budget, the LDP said the world is now undergoing a transition toward a new world

order and the onus is on Japan to play a role commensurate with its economic power in the international community.

The policy outlines stressed the need for Japan to promote international cooperation in conjunction with the United Nations and to contribute in a positive way to global efforts toward a peaceful settlement of international conflicts.

The party also called for deepening relations with the Soviet Union and East European nations.

It demanded that Japan make further efforts to resolve international problems such as environmental protection and drug abuse.

The policy outlines called on the government to pay due attention to development of social infrastructure in compiling the 1991 budget based on public works investment programs agreed at the Structural Impediments Initiative (SII) talks between Japan and the United States.

LDP Approves 1991 Tax Reforms Outline

OW1912121890 Tokyo KYODO in English 1102 GMT
19 Dec 90

[Text] Tokyo, Dec. 19 KYODO—The ruling Liberal Democratic Party [LDP] approved Wednesday an outline of tax reforms for fiscal 1991 featuring a 650 billion yen local inhabitants tax cut.

The program, adopted at the party's Executive Council, calls for reduction of the local inhabitants tax totaling about 650 billion yen in the year starting next April 1.

On the basis of the outline, the government will formulate a revision of related tax systems, including the local tax law, for presentation for Diet approval at its session to be resumed early January.

Under the program, tax exemption for housing acquisition will be raised to a maximum of 250,000 yen from the present 200,000 yen in order to promote such purchases by individuals.

The maximum taxable amount, subject to exemption of up to six years, will be raised to 30 million yen from the present 20 million yen.

Of the amount exceeding 20 million yen, the tax exemption rate will be halved to 0.5 percent from the present 1.0 percent.

After the government's upward reassessment of residential land prices to be made in fiscal 1991, the tax burden on land holders will be increased gradually over a five-year "burden adjustment period."

Similar readjustments will be made for residential land owned by individuals and corporations over a five-year period while the adjustment period for nonresidential and farmland will remain unchanged at three years.

Government officials said the reassessed value of residential land in fiscal 1991 will rise by an average 28.5 percent, the highest since fiscal 1975.

As for the residential tax, the taxable income subject to a 5.0 percent tax will be raised to 1.6 million yen from the present 1.2 million yen. A 10 percent rate will apply to income of up to 5.5 million yen.

Panel Criticizes LDP's Landholding Tax Reforms

OW1912122190 Tokyo KYODO in English 0943 GMT
19 Dec 90

[Text] Tokyo, Dec. 19 KYODO—A government panel criticized on Wednesday a package of landholding tax reforms approved early this month by the ruling Liberal Democratic Party (LDP) as too modest to bring down Japan's sky-high land prices.

The governmental Tax Study Council, an advisory body to the prime minister, said in a recommendation that the spirit of the tax reform package is in line with the council's draft proposal, submitted in late October.

But the land value tax, the main pillar of the reforms, is too weak, both in its tax rate and basic deductions, to effectively discourage land speculators, who are largely to blame for the nation's land price inflation, it said.

The panel, chaired by Hiroshi Kato, professor of Keio University, called for a rate hike and other reviews of the package in the near future.

On December 6, the LDP agreed on introduction of a 0.2 percent tax on land ownership, tentatively called the landholding tax, in 1992. The rate will be raised to 0.3 percent in 1993, after which no revisions can be made until 1996.

To make the already weak new tax even more neutral, the LDP decided on a number of exemptions.

The new levy will be applied to properties worth 1 billion yen or more, except for those owned by individuals and small to medium-scale companies. Small businesses, defined as those with capital of 100 million yen or less, will pay only if they have land worth more than 1.5 billion yen.

Land assessed at or below 30,000 yen a square meter will be exempt, as will public property and private property used for public purposes such as hospitals and schools.

The LDP package is far more conservative than an original proposal put forward by the Finance Ministry, which wanted a 1 percent property tax. The new tax is believed to affect less than 50,000 individual and corporate taxpayers, and will bring in less than 150 billion yen a year.

North Korea

Commentary on ROK Premier's Remarks

*SK1912102290 Pyongyang Domestic Service
in Koreqn 0025 GMT 16 Dec 90*

[NODONG SINMUN 16 December Commentary: "The Thief Is Calling Stop Thief"]

[Text] On 14 December puppet Prime Minister Kang Yong-hun, head of the South side's delegation to the North-South High-Level Talks, held a meeting with reporters. Foolishly enough, he tried to shirk the responsibility for failing to reach an agreement in the recent third round of the high-level talks. In the meeting, opening the puppets' old and hackneyed bundle of anticommunist smear propaganda, he went so far as to babble that the North's proposal to adopt a nonaggression declaration is not only a false and unreliable proposal, but is also a part of the North side's united front strategy designed to withdraw U.S. forces from South Korea. Thus, he uttered provocative and absurd remarks.

That day, in commenting on the result of the North-South High-Level Talks the spokesman of the Democratic Liberal Party of South Korea, too, made preposterous utterances. He said that the failure in making the high-level talks fruitful is regrettable, that the North is attempting to use the high-level talks for propaganda, and the like. This is not only the brigandish logic of those seeking confrontation and division, but is also a brazen-faced and preposterous act like a thief turning on the master. We cannot but ask him who is supposed to say something. He is not supposed to say that.

As to the responsibility for failing to adopt an agreement in the three rounds of North-South High-Level Talks, we should blame the South side precisely for it.

As has already been reported, in the third round of the North-South High-Level Talks, our side made a new epochal proposal on the adoption of a declaration of nonaggression and a declaration of reconciliation and cooperation between the North and the South. The declaration advanced by our side is a fundamental document which guarantees peace and nonaggression. The declaration not only envisages a firm and sufficient guarantee for nonaggression, and measures to ensure it, but also fully accounts for and reflects the content of the joint declaration on reconciliation and cooperation that the South side made in the second round of the North-South talks. The declaration does not mention the issue of withdrawing U.S. forces and nuclear weapons, which the South side has opposed so far.

In the third round of the talks, taking the South side's assertions into consideration, our side expressed its readiness to add necessary issues or delete them from our draft of the agreement. Nevertheless, in the third round of the talks, the South side advanced again a so-called basic

agreement for the improvement of North-South relations, going back to the starting point of the first round of the talks.

The South side insisted that the issue of adopting a declaration of nonaggression should be discussed only after adopting the basic agreement for the improvement of North-South relations, thus arranging a foundation for the improvement of relations. The South side also insisted on the logic of "confidence-building first and nonaggression declaration next." This alleges that the adoption of a declaration of nonaggression is of practical significance only after confidence-building is achieved through exchange and cooperation. Thus, the South side stubbornly opposed the adoption of a declaration of nonaggression even in the third round of the talks.

The basic agreement that the South side presented this time is a copy of an agreement that another country utilized in legalizing its division. It is, in fact, a treacherous document designed to fabricate two Koreas. The insistence that only by signing such a document can the issue of adopting a declaration of nonaggression be discussed is a far-fetched one that only splittists can originate.

The North-South confrontation is essentially a political and military confrontation, and the source of distrust between the two sides is the desire to conquer the other side. Therefore, the adoption of a declaration of nonaggression is not the issue which should be discussed after confidence has been created, and the adoption of a declaration of nonaggression itself becomes a reliable measure for confidence-building.

The South Korean puppets, by refusing our proposal for adopting a declaration of nonaggression, have themselves revealed that the confidence-building and peaceful reunification that they advocate is false propaganda and lip service. Also, the threat of a southward invasion that they mention is nothing but fiction.

Furthermore, far from being conscious of his responsibility not only for turning the third round of the North-South high-level talks into a site of provocation and confrontation, but also for having clouded the atmosphere of dialogue by babbling about a southward invasion, tunnel incidents, an incident in Burma, and the like, and by mentioning again various smear incidents which the puppets fabricated in the past to extricate themselves from their political crisis and to use in their anticommunist propaganda, the South Korean puppet prime minister has gone so far as to repeat such words and deeds outside the site of the talks. This indicates that he follows the acts of the previous dictators who sought the road of fascism, division, and war, while clamoring about confrontation with dialogue.

Such words and deeds—which endanger the prospects for North-South dialogue and reunification—cannot be construed other than as a criminal attempt not only to continuously keep U.S. forces and their nuclear weapons on South Korea by throwing a wet blanket over the

growing desire for reunification in the North and the South and by inspiring North-South confrontation among the people and, thus, aggravating tension, but also to unify the North by absorbing it or to achieve reunification through force on the basis of being secure in the superiority of strength with U.S. forces. They are also a mean and smear political trick to cover up and justify the puppets' criminal maneuvers, which are abusing North-South dialogue in their insidious splittist aims.

No matter what brigandish sophistry the puppets, who routinely slander us, may employ, they cannot damage our reunification-oriented stand and the fairness, openness, and reasonability of our proposal for adopting a declaration of nonaggression, nor can they cast a gloom shadow over the influence of the proposal.

Now is the time for the North and the South to achieve reconciliation and unity so as to advance along the road of reunification. Now is not the time for them to confront each other. The entire nation wants to vigorously advance toward achieving reunification in the nineties.

The South Korean rulers who are attempting to abuse North-South dialogue in their splittist aims while inspiring confrontation, running counter to the desire of the nation, will not escape the curse and condemnation of the people.

Letter to South Teachers Trade Union Reported

*SK1512063990 Pyongyang Domestic Service
in Korean 0100 GMT 14 90*

[Text of letter sent by Choe Kum-sun, chairwoman of the Central Committee of the Trade Unions of Men of Education and Culture of Korea, to Yun Yong-kyu, chairman of the South Korean National Teachers Trade Union (Chongyojo), accepting the proposal for a meeting of North-South teachers to discuss the holding of a pan-national meeting of teachers for reunification—read by announcer]

[Text] To Chongyojo Chairman Yun Yong-kyu:

Some time ago, we heard that your organization decided to hold a pan-national meeting of teachers for reunification participated in by teachers in the North, the South, and overseas in Seoul from 13-15 August, 1991, and that your organization expressed its intention to meet with us to discuss practical issues concerning the pan-national meeting.

We highly regard your organization's proposal to hold a pan-national meeting of teachers for reunification, even under the difficult circumstances in which the suppression of the splittists seeking perpetual division of the nation instead of the country's reunification have been constantly conducted. And we positively support and welcome your proposal.

Proceeding from the desire to mark the 1990's as the years of reunification, today when the national desire for reunification is united and when the reunification movement is being vigorously launched in the North, the South, and overseas as a great pan-national march, I think that it is really meaningful for teachers to get together to pool their will, so as to develop national education and to realize national reunification.

Even though we are living under circumstances in which the North and South have been divided, we teachers are assigned the heavy mission of training the next generation to shoulder the future of the nation and the mission of handing down a reunified fatherland to them.

We are not intellectuals who just deliver and sell knowledge, but forerunners of the times who should awaken and lead the masses with the voices of justice and truth. In order to carry out the responsibility and obligation assigned to the teachers in the North and South, we should unite as a nation by transcending the differences in ideologies, ideas, and systems. To this end, teachers in the North and South should meet with each other.

Where our beloved students had already promised to meet with each other and have long opened the way for reunification through a struggle, we the teachers who are supposed to set examples for them, find it difficult to remain mere spectators to their stately undertaking.

Proceeding from such a viewpoint, convinced that the pan-national meeting of teachers for reunification, proposed by your organization, will be an important occasion of pooling the will and strength of teachers in the North, the South, and overseas, who aspire for national unity and national reunification, we affirm that we are willing to meet the delegates of your organization at any time and at any place.

Just as a road to justice is not smooth, under the current circumstances in which splittist forces remain on this land, our meeting for national unity and national reunification can never be held easily.

The splittist forces, which do not want national unity and reunification, are already blocking the realization of a pan-national meeting of teachers of reunification. However, we are convinced that Chongyojo will never back away from a patriotic road for the country and nation, even in the face of any difficulty.

Through the righteous struggle for national reunification, we should realize our meeting without fail.

Considering the difficult condition of your organization, we will entirely leave to your organization the date and place for a contact.

We are convinced that if a contact of teachers in the North and South is realized, a pan-national meeting of teachers for reunification will be successfully held, and a good agreement on general questions of pooling strength for reunification will be reached.

We sincerely hope that a greater success will be effected in your noble work to realize a genuine national education and to realize national reunification.

[Signed] Choe Kum-sun, chairwoman of the Central Committee of the Trade Unions of Men of Education and Culture

[Dated] 14 December, 1990

S. Citizens Praise Kim Il-song, Kim Chong-il

*SK1912103090 Pyongyang KCNA in English
0959 GMT 19 Dec 90*

[Text] Pyongyang December 19 (KCNA)—Reverence for the great leader President Kim Il-song and dear Comrade Kim Chong-il is daily growing among the South Korean people.

Recalling the days he spent in the northern half of the country after being rescued from a rough storm, a fisherman Ko residing in Sokcho, Kangwon Province of South Korea, said:

The North, to all appearance, is a society in which *chuche* has been established and the soul of the nation is alive.

The South is exotic, feudal and shallow, but, on the contrary, the North is national, modern, sound and graceful.

Such reality of the North is the result of the wise guidance of President Kim Il-song and dear Mr. Kim Chong-il.

They are, indeed, peerless great men who administer affairs of the state for the nation and the people.

An old man Choe residing in Mapo District, Seoul, said only when we are guided by Mr. Kim Chong-il, holding in high esteem President Kim Il-song who loves the people and administers state affairs for them, can our people also enjoy a happy life without worries. Though the political situation is complicated and critical, we must believe and follow them alone, he stressed.

A worker surnamed Yi in Seoul said: The workers in the North do not know the word "fired" itself and everyone there chooses his job according to his hope. I want to live under the administration of General Kim Il-song and Mr. Kim Chong-il who devotedly work for the people.

Release of 'Reunification Champions' Demanded

*SK1812051290 Pyongyang KCNA in English
0443 GMT 18 Dec 90*

[Text] Tokyo December 16 (KNS-KCNA)—Pak Chong-hyon, chairwoman of the Central Standing Committee of the Democratic Union of Korean Women in Japan, in a statement to the press, demanded that the South Korean authorities unconditionally and immediately release all the patriotic reunification champions including the

South side's delegates who had participated in the Berlin tripartite working-level talks, woman student Yim Su-kyong and Father Mun Kyu-hyon.

She said that the South side's delegates' participation in the Berlin tripartite working-level talks and their activities were patriotic deeds reflecting the ardent desire of the 70 million fellow countrymen to see a new turning-point of national reunification, and it is an act which deserves the praise of the whole nation and can never be a target of suppression.

Nevertheless, the South Korean authorities whisked them away from the airport in broad daylight. This is a challenge to the entire Korean people desirous of reunification and an anti-national criminal act, she noted, adding: The South Korean authorities must look squarely at the ever mounting reunification demand and will of the South Korean people to make the 1990s a decade of reunification and refrain from going against the trend of the times.

South's 'War' on 'Democratic Forces' Denounced

*SK1512044890 Pyongyang KCNA in English
0428 GMT 15 Dec 90*

[Text] Pyongyang December 15 (KCNA)—No Tae-u recently called a "meeting of ministers in charge of security" at "Chongwadae" and ordered them to activate a joint action of competent organs for "the war against crimes" and work out a plan for next year's "war".

Commenting on this order, a news analyst of NODONG SINMUN today says:

It is entirely intended to deceive the people and, truth to tell, is a new repressive order against patriotic and democratic pro-reunification forces.

No himself made this plan when he cried at the "meeting" that the winter "underground activities" including "organisational rearrangement and awakening education by the seditious forces" must be "thoroughly exposed." By "seditious forces" he meant patriotic students and democratic forces calling for independence and democratisation of the South Korean society and national reunification.

He talked about "escort and guard of the North-South High-Level Talks". But this was nothing but an artifice to let loose police and agents of the "security planning board" and threaten and provoke our delegation with anti-communist, anti-reunification rackets and isolate us from South Korean people.

The No Tae-u group has mobilized all the repressive forces in the suppression of patriotic and democratic pro-reunification forces and students under the cloak of "war against crimes".

Under a new repressive order of the puppet home minister, the whole of South Korea has been turned into

a fascist rowdyism in which repressive forces of over 600,000 men including some 65,000 police, 156,000 puppet public officials and 336,000 "crime-prevention corps" members are densely posted.

No intends to continue the war against patriotic and democratic, pro-reunification forces calling for independence, democracy and reunification, the war against students and people, next year under the signboard of "war against crimes".

This indicates that No Tae-u is desperately trying to maintain at any cost the "Democratic Justice Party's regime" driven to the verge of collapse by the unanimous denunciation and rejection of the people and prolong the fascist dictatorship.

KCNA Denounces South's 'War Preparations'

SK1912105690 Pyongyang KCNA in English
1030 GMT 19 Dec 90

[Text] Pyongyang December 19 (KCNA)—The South Korean authorities called a year-end meeting of major commanders of the puppet airforce Tuesday to discuss war preparations, according to a radio report from Seoul.

Describing this year as a year in which "combat capabilities have been increased" including the introduction of latest-type airplanes, they discussed "measures to promote" the puppet airforce for next year.

The South Korean authorities are holding powder-reeking war exercises and confabs at a time when the high-level talks are under way repeatedly between the North and the South and the questions of removing the military confrontation and easing the tension are put on the order of the day.

This shows that they persistently resort to their policy of war, going against the nation's desire for peaceful reunification of the country.

'Nuclear Aerial War' Exercises Reported

SK1912054190 Pyongyang KCNA in English
0442 GMT 19 Dec 90

[Text] Pyongyang December 19 (KCNA)—The Pacific Airforce Command of the U.S. imperialist aggression army sent in succession formations of nuclear-capable F-16 fighter-bombers based in Misawa, Japan, to the sky above South Korea on December 15 and 16 for a nuclear aerial war exercise aimed at a forestalling attack on the North, according to military sources.

The U.S. imperialists on December 15 let formations of F-16 fighter-bombers deployed in South Korea fly above Asan Bay in an exercise for saturation bombing on ground targets with a view to increasing the actual warring capacity in case of emergency.

On the same day, they also let transport planes carrying "commandos" fly above Kunsan for an air transport and

parachuting exercise for infiltration into the strategical depths of the northern half of the country in an "event of contingency".

The South Korean puppets on the same day brought a joint mechanized infantry unit of the puppet army to the area near the military demarcation line to commit an attack exercise against the North in coordination with many artillery and tank units. Mobilized in this exercise were formations of F-16 fighter-bombers belonging to the U.S. Seventh Airforce and scores of F-4 and F-5 fighter-bombers belonging to the puppet airforce.

On the 14th, they sent a group of combatant ships and patrol boats of the puppet army to the sea off Sokcho and mobilized infantry units of the puppet army to stage a landing operational exercise against the North.

Imperialist 'Transition' Policy Condemned

SK1512053390 Pyongyang KCNA in English
2156 GMT 14 Dec 90

[Text] Pyongyang December 14 (KCNA)—The imperialists' "peaceful transition" strategy is, in the true sense of the word a vicious anti-communist strategy to turn socialism to capitalism by "peaceful method" and make the whole world as yellow one [as received], in other words, to capitalize it. NODONG SINMUN, today says this in a signed article titled "Reactionary Nature and Knavishness of Imperialists Is Peaceful Transition Strategy."

Their "peaceful transition" strategy is characterized by a counter-revolutionary double-dealing trick which is based on policy strength and puts peace stratagem to the fore, the article notes and goes on:

The imperialists are trying hard to realize their "peaceful transition" strategy by a very crafty method.

They attempt first to [words indistinct] the people's revolutionary consciousness to undo the socialism through ideological and cultural infiltration and fabrication and false propaganda.

The imperialists and the reptilian media are engaged in a base smear campaign for loudly describing the difficulties and hardships arising in the socialist construction as "failure of socialism" and relating it to the destiny of socialism and communism. They are also slandering party leadership and democratic centralism in socialist revolution and construction as "administrative-style system" and "our education system." History shows that when the party is weakened and its legal [word indistinct] is emasculated, the popular masses are disintegrated organisationally and ideologically and fall into disorder without the goal and direction of their struggle and eventually make a [word indistinct] of revolution and construction. This is why the imperialists are focusing the anti-socialist "peaceful transition" strategy [word indistinct] in impairing the prestige of the party, innervating it and divorcing it from the masses.

They are preaching "superiority" of bourgeois liberalization democracy with the calling for the introduction of bourgeois system including "pluralism" "literal business system," and getting overheated in infiltrating all the corrupt [word indistinct] reactionary ideological and cultural toxin [word indistinct] the ideological and cultural infiltration is a main lever of the imperialists antisocialist [words indistinct] and go over to "market economy" in a bid to subordinate it to the [word indistinct] economic system.

They are also inspiring and instigating antidemocratic-socialist elements in socialist countries to socio-political disturbances, overthrow the socialist system and turn socialism into capitalism.

Their "peaceful transition" strategy is a counter-revolutionary criminal act of challenging the progressive cause of mankind. The imperialists, the ultimate imperial [word indistinct], are [word indistinct] superiority of capitalism to socialism and world democracy through this aggressive strategy. It is not our country that the imperialists are aiming the spearhead of their anti-socialist manoeuvres. The U.S. imperialists are taking the anti-DPRK and anti-socialist political, ideological and cultural offensives with South Korea as a base by using their forces and nuclear weapons present in South Korea as a major means of that and blackmail. It is aimed to freeze the division of Korea and create "two Koreas" under the signboard of peace and stability, keep hold on South Korea forever as a permanent colony and a military base and realize their ambition for aggression on the whole of Korea by blowing the wind of "liberal democracy" into the North.

The imperialists' "peaceful transition" strategy is doomed to meet a disgraceful failure.

Indian Paper Denounces No Tae-u's Soviet Trip

SK1512044490 Pyongyang KCNA in English
0421 GMT 15 Dec 90

[Text] Pyongyang December 15 (KCNA)—The December 10 issue of the Indian paper HINT carried its editor's commentary titled "Threat to World Peace" denouncing No Tae-u's trip to the Soviet Union.

Saying that No Tae-u's trip to the Soviet Union is enraging the world people who love peace and want the reunification of divided Korea, the commentary continues:

The current Soviet trip of No Tae-u is an act of going against the will and demands of the entire Korean people and the world's progressive people.

During his trip No seeks to get the backing of the Soviet Union in the scheme for South Korea's unilateral entry into the United Nations.

This is an act of throwing a wet blanket over the inter-Korean high-level talks arranged with so much

efforts and a splittist act aimed to perpetuate the division of Korea and keep the tensions in this region. Through his trip he also intends to improve his public image with the backing of foreign forces, dampen the ever-growing anti-"government" spirit of the South Korean people, divert elsewhere the attention of the South Korean people and the world public so as to bridge over the political and economic crisis.

Those people who have right thinking power know well that No Tae-u cannot realise the desire of the South Korean people for the reunification of the country and independence, democracy and right to existence.

The Soviet Union must act in reason.

If the Soviet leadership accede to the request of No Tae-u on a trip instigated by the United States, it will lay a grave obstacle in the way of the reunification of Korea and result in endangering global peace.

Such moves of the Soviet Union and South Korea will face the resentment and protest of the entire Korean people and the world people who want the reunification of Korea, as well as the curses and condemnation of the world's progressive people who love peace and justice.

Korean-Soviet Science, Technology Accord Signed

SK1812050790 Pyongyang KCNA in English
0442 GMT 18 Dec 90

[Text] Pyongyang December 18 (KCNA)—A 1991-1995 protocol on basic orientation of scientific and technological cooperation in standard measuring and a 1991 plan for scientific and technological cooperation were signed here Monday between the DPRK State Commission of Science and Technology and the State Committee for Quality Control and Standardization of the USSR.

Japanese Demand Earlier Opening of Ties

SK1812072890 Pyongyang KCNA in English
0513 GMT 18 Dec 90

[Text] Tokyo December 16 (KNS-KCNA)—The Japanese people are lifting loud voices demanding earlier normalization of Japan-DPRK relations.

The Iwate Prefectural Assembly of Japan on December 12 sent to the Japanese prime minister and foreign minister a request "on the normalization of relations with the Democratic People's Republic of Korea," urging them to make active efforts for the opening of Japan-Korea diplomatic relations.

The request said that it is, indeed, a happy event that negotiations began between the two governments with the visit to Korea by the delegations of the Liberal Democratic Party and the Socialist Party of Japan as a clue to the normalization of diplomatic relations, and the people hail it altogether.

It requested the Japanese Government to actively strive to realise the opening of diplomatic relations with the DPRK.

Meanwhile, a Gifu prefectural 100-men committee for earlier opening of Japan-Korea diplomatic relations was formed on December 5.

An appeal adopted at its inaugural meeting called upon the broad people to turn out in a campaign to support the joint declaration of the three parties of Korea and Japan and promptly carry it into effect.

Hajime Fukada, director of the People's Movement of the Japan Socialist Party and member of the house of councillors, gave a lecture on the significance of the joint declaration of the three parties of Korea and Japan.

Roundtable on Economic Exchange With Japan Held

*SK1912063290 Pyongyang KCNA in English
0431 GMT 19 Dec 90*

[Text] Tokyo December 17 (KNS-KCNA)—A Kyoto roundtable conference on economic exchange between Japan and the DPRK was recently held.

Yukimasa Mizutani, ex-rector of Bukkyo University, held in his lecture that Japan should have open-hearted talks with the Democratic People's Republic of Korea, its neighbour.

Riichiro Aikawa, executive director of the Japan-DPRK trade association, reviewed the actual conditions of economic exchange between Japan and the DPRK from the historical point of view, and stressed that while the sentiments for the improvement of Japan-DPRK relations are growing stronger, concerted efforts should be made to soundly develop trade between Japan and the DPRK.

The roundtable conference hailed the joint declaration of the Workers' Party of Korea, the Liberal Democratic Party and the Socialist Party of Japan on the relations between the DPRK and Japan and adopted a message of request calling for the maintenance of the spirit of the joint declaration of the three parties and an early normalisation of relations between Japan and the DPRK.

Kim Yong-nam Greets New Thai Foreign Minister

*SK1912105490 Pyongyang KCNA in English
1029 GMT 19 Dec 90*

[Text] Pyongyang December 19 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Ardit Urairat upon his appointment as minister of foreign affairs of the Kingdom of Thailand.

Expressing the belief that the friendly and cooperative relations existing between the two countries will continue to develop favourably in future, too, in the interests of the two peoples, he in his message wished him great success in his responsible work.

KCNA Reviews 19 Dec Pyongyang Press

*SK1912060490 Pyongyang KCNA in English
0458 GMT 19 Dec 90*

[Text] Pyongyang December 19 (KCNA)—Dailies here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Shahabuddin Ahmed upon his assumption of office as acting president of the People's Republic of Bangladesh.

Dailies inform the readers that the work of dear Comrade Kim Chong-il "The Workers' Party of Korea Organizes and Guides All the Victories of Our People" has been reported and deeply studied in different countries.

Conveyed in the press are foreign public voices highly praising the advantage of our socialist system and fully supporting the proposal for founding the democratic confederal republic of Koryo.

NODONG SINMUN devotes nearly one whole page to an article entitled "Flesh-and-Blood Relations of the Leader, the Party and Masses Which Have Been Consolidated Along With Advance of the Revolution."

The daily editorially calls for scrupulous supply service as required by the Taean system.

Econews of the press includes reports about the increased production of fertilizers at industrial establishments under the Ministry of Chemical Industry and an energetic drive for spreading humus soil on fields at rural communities.

Dailies give an account of the national meeting of active workers in the domain of auto transport.

It is reported in the press that a ground-breaking ceremony of the Binkolo power station to be built by the technical help of our country was held in the presence of Sierra Leonean president and a protocol of the 7th meeting of the Joint Committee of the Government of the Democratic People's Republic of Korea and the great Socialist People's Libyan Arab Jamahiriyyah was signed.

NODONG SINMUN runs a commentary condemning the No Tae-u group for railroading in 70 seconds an "agreement bill on procurement of grain" through "the National Assembly" only in the presence of the "DLP [Democratic Liberal Party] parliamentarians".

Conveyed in the daily is a travelogue on the house of woman student Yim Su-kyong, the "flower of reunification", by its journalists who stayed in Seoul to cover the third North-South High-Level Talks.

The U.S. imperialists and the South Korean puppets staged provocative joint nuclear air strike exercises, says the press.

According to NODONG SINMUN, a graduation diploma was awarded to martyr Chin Song-il of South Korea who was registered as an honorary student at the Chang Chol Ku University, and the chairman of the

Democratic Ibon of Korean Women in Japan issued a statement in demand of the release of the patriotic reunification champions. Included in South Korean news columns of the press are reports that the South Korean fascist clique have stretched out claws of suppression to the parents of coed Yim Su-kyong and that a lawyers meeting for a democratic society made public a statement in demand of the abolition of fascist laws.

The premier of the State Council of China visited Laos, the Chinese foreign minister stated that the Korean war was provoked in the name of the United Nations, a South Korean smuggler was arrested in Tanzania, Cuba condemned the Panamanian authorities' unwarrantable decision to expel Cuban diplomats, a large-scale meeting was held in Lithuania, the Soviet Union, in demand of the restoration of the Soviet power, the number of unemployed is increasing in the Soviet Union, and production is decreasing in Bulgaria, says NODONG SINMUN.

The paper analyses new developments in Chad.

"The capitalist society is the society where the law of the jungle governs" is the title of an article of the paper.

Leader-Party-Masses Relationship Analyzed

*SK1912113390 Pyongyang KCNA in English
1016 GMT 19 Dec 90*

[Text] Pyongyang December 19 (KCNA)—NODONG SINMUN today devotes nearly one page to a lengthy article headlined "Flesh-and-Blood Relations of the Leader, the Party and Masses Which Have Been Consolidated Along With Advance of the Revolution."

The kindred relationship between the leader of the revolution and the people is a decisive guarantee for the victory of the revolution, the author of the article notes, and goes on:

The Korean revolution is a glorious revolution which has triumphantly advanced along the unprecedentedly arduous road of history. How could our revolution be started and how could it be carried forward?

It is entirely thanks to the strength of the close unity of the revolutionary leader and the people.

Whenever he came across with a grave difficulty, the great leader Comrade Kim Il-song paved the way for the revolution with the firm faith that there would be nothing impossible when he believes in the people and there are the people. Our people have stubbornly fought under the guidance of the great leader Comrade Kim Il-song with the unswerving will that they win victory without fail as long as they are led by him.

Today in our country, the tradition of flesh-and-blood relations of the leader and the people has been brilliantly carried forward. The leader of the revolution leads the revolutionary soldiers, embracing them in his bosom with his noble affection and obligation, and our people

absolutely trust and follow the party and the leader with infinite respect and confidence. This is why our revolution triumphantly advances in any storm and stress.

Dear Comrade Kim Chong-il said:

"Today the Workers' Party of Korea stands firmly in the centre of the revolutionary ranks in our country, and the masses of the people, who have withstood every manner of ordeal by sharing their destiny with the party in the long revolutionary struggle, are united rock-firm behind the party and the leader, sharing one mind and one will."

The most solid and vital unity and cohesion that no force can break and that can overcome any trials, the flesh-and-blood relations between the leader and the people have been achieved in our country. This is, indeed, one of the most precious achievements of our revolution.

Noting in detail that the solidness of the flesh-and-blood relations between the leader and the people in our country lies in the relations of trust, the relations of obligation and the relations of faith, the article further says:

It is a steadfast faith of our people to accomplish the revolutionary cause of *chuche*, more firmly united around the leader of the revolution.

Today we have the flesh-and-blood relations between the leader and the people, the great singlehearted unity of the leader, the party and the masses. This is the greatest one of our wealth and the most powerful one of our strength. The decisive guarantee for all our victories lies in valuing this unity most and consolidating it more firmly.

Invincible is our revolutionary cause advancing with flesh-and-blood relations between the great leader of the revolution and the people, the singlehearted unity.

National Meeting of Auto Transport Held

*SK1912000190 Pyongyang KCNA in English
2228 GMT 18 Dec 90*

[Text] Pyongyang December 18 (KCNA)—A national meeting of active workers in the domain of auto transport was held here from December 16 to 18.

The meeting was attended by Yon Hyong-muk, member of the Political Bureau of the Central Committee [CC] of the Workers' Party of Korea [WPK] and premier of the Administration Council, Kye Ung-tae, member of the Political Bureau and secretary of the CC, WPK, and Kang Hui-won, alternate member of the Political Bureau of the CC, WPK and vice-premier of the Administration Council.

The meeting summed up the successes and experience gained in the endeavours to carry through the party's *chuche*-based policy of traffic safety in the past and discussed measures to further develop transport in compliance with the requirements of the reality.

Recalling that the great leader President Kim Il-song advanced the *chuche*-orientated idea of traffic safety, the reporter and speakers said at the meeting that this idea is a revolutionary and unique idea which meets the requirement of the *chuche* idea that the working masses be placed in the centre of all and everything be made to serve them. This idea serves as a guideline indicating the most correct way for the socialist state to establish well-refined order of traffic safety throughout the country by mobilizing the entire people in keeping with its innate requirements, they stressed.

They pointed out that the great leader put forward a correct policy of establishing traffic order and has wisely led the efforts to carry it into practice.

They noted that dear Comrade Kim Chong-il comprehensively propounded the idea, theory and method on traffic safety of our own style that conforms to the requirement for modelling the whole society on the *chuche* idea and has given wise guidance to effect a revolutionary turn in this work.

Touching on the successes registered in the worthwhile efforts to implement the party's policy of traffic safety and policy of making revolution in transport, they proudly said that hundreds of thousands of recipients of state decorations including 110 heroes of the republic and labour heroes and more than 350 merited drivers have been produced in the domain of auto transport.

The achievements made in the efforts to establish order of traffic safety throughout the country are entirely results of the intelligent guidance of the party and the leader, they emphasized.

They stressed the need to establish well-organized order of traffic safety across the country on a new high level, upholding the party's policy of traffic safety, and thus protect the people's lives and property, accelerate the grand socialist construction and bring the genuine advantages of our socialist system into fuller play.

They called for overfulfilling plans of transport in successfully hitting the long-range targets of the third seven-year plan.

An appeal to the functionaries and drivers in the domain of auto transport in the country was read out at the meeting.

South Korea

Soviet Envoy to North Recalled; Details Analyzed

SK1912044090 Seoul Domestic Service in Korean
0100 GMT 19 Dec 90

[Report from Tokyo-based correspondent Yu Sung-chae]

[Text] The Pyongyang radio broadcast monitored yesterday in Tokyo reported that Soviet Ambassador to North Korea Bartoshevich returned home yesterday at

the summons of the government of his home country. It has been learned that Ambassador Bartoshevich made a farewell call on Vice Premier Kim Yong-nam already on 10 December. However, he was unable to meet Kim Il-song.

It has been reported that Ambassador Bartoshevich's returning to his country was a normal personnel transfer. However, it is quite unusual for the outgoing Soviet ambassador to North Korea to return home without being able to meet Kim Il-song.

Former Soviet Ambassador to North Korea Shubnikov, Bartoshevich's predecessor, returned home after meeting Kim Chong-il, premier, minister of the People's Armed Forces, and foreign minister, let alone Kim Il-song.

North Korea's attitude toward Ambassador Bartoshevich's returning home can be interpreted as its complaint to the Soviet Union.

'Revolutionary' Work of N. Delegates Reported

SK1812111790 Seoul CHOSON ILBO in Korean
14 Dec 90 p 22

[Article by a special reporters' group]

[Excerpts] It was learned that the North side's delegation to the high-level talks, including those reporters who left the hotel at will on 12 December in violation of the agreement between the North side and our authorities, thus stirring up trouble, and the North Korean side's participants in the year-end music festival met on 11 December and held a meeting to show their loyalty toward Kim Chong-il. This is shocking.

It was also learned that after urgently visiting some universities, the North Korean reporters filed a message to Pyongyang on the night of 12 December saying, "We have returned from revolutionary bases." This truly shocked our relevant officials.

It was learned that on 11 December, the day when the North Korean delegation arrived after a banquet, that Prime Minister Kang Yong-hun had arranged, the participants in the high-level talks, including Premier Yon Hyong-muk, and the participants in the music festival met and made a resolution saying: "Let us complete the revolutionary task."

A North Korean reporter hinted that, upon returning to the hotel after visiting Yim Su-kyong's house and other places on 12 December, the North Korean reporters filed a message to Pyongyang on "successful achievements in their work." This reporter also said that the reporters sent a message to Pyongyang saying that they "have returned from the revolutionary bases after safely completing our work" and that they "will complete our work if we carry it out for another day tomorrow (13 December)." [passage omitted]

It is noted that the two-faced nature of the North side's delegation is well proven by the fact that after the

banquet arranged by Prime Minister Kang on 11 December at the Walker Hill Hotel, the delegation led by Premier Yon and the participants in the year-end music festival, who were staying in this hotel, held a meeting to make a resolution.

It was later learned that at this meeting, which they held after sending our side's relevant officials away, the musicians of the North side burst into "tears" when they saw Premier Yon. They said, "The South side is posing many obstacles to us in carrying out activities." According to North Korean reporters, in response, Premier Yon delivered words of encouragement. He said: "Undauntedly carry out your work and return home, while clearly realizing why the dear leader Comrade Kim Chong-il sent us." The North Korean reporters also said that Premier Yon gave 15 boxes of apples to the musicians.

It was also learned that the North side's participants made such resolutions as "Let us accomplish the revolutionary cause according to the teachings of Comrade Kim Chong-il" and "Let us be loyal generation after generation" and that they even shouted manse [hurrah]. Even while talking about "peace" at the talks, they made a resolution to carry out a "revolution in the South" behind the scenes.

It was later learned that at that meeting, "Kim Il-song" was not mentioned at all and that they only referred to "Kim Chong-il." This has attracted attention. [passage omitted]

Students' 'Thoughtless' Behavior Denounced

*SK1812143690 Seoul CHOSON ILBO in Korean
14 Dec 90 p 2*

[By reporter Choe Po-sik from the "Reporter's Notebook" column: "Thoughtless Collegians"]

[Text] The college students behaved like spoiled children. Indeed, they looked indiscreet and thoughtless.

When five North Korean reporters paid a surprise visit to the Hanguk University of Foreign Studies in Seoul on 12 December, students on the campus of the school were as excited as if they were having a "festival." We could understand such excitement in a sense because, as the students put it, the North Korean reporters for the first time in 46 years visited the campus to meet students. Thus, we could also understand the excessively emotional behavior of the students in front of the North Korean reporters.

However, what was a problem was the content of the students' conversation with the North Korean reporters where their prejudiced concept of reality was vividly revealed. The students went so far as to cling to the "press functionaries" of North Korea who were not interested in news coverage, but in provocation. The students behaved as if they were meeting their liberators. The conversations proceeded from the start to the finish

with the students excitedly denouncing the government, saying that "it is none other than the government of the South, which is suppressing the masses, that has hindered reunification," with the North Korean reporters chiming in.

A student told the North Korean reporters, "On 11 August this year we went to the Imjin Pavilion [near Panmunjom], holding placards, to welcome a delegation from the 'committee for rescuing Yim Su-kyong' of North Korea, but we had to return without meeting the delegation. This was because the South Korean authorities have no will to achieve national reunification." At this moment, one of the North Korean reporters said: "On that day we came to Panmunjom, but the South side rejected us. So, we returned after issuing our statement there."

When a North Korean reporter subtly agitated the students again, saying that "the present regime and those who are enjoying vested rights in the South Korean society should not disregard the people's will," another student said, "The South Korean regime has blocked civilians from making contacts with the people in the North under the pretext of establishing a so-called unified channel of dialogue." All the students unanimously denounced the government, venting their complaints.

The student continued to utter denunciation and complaints against the government, saying: "Despite the North-South High-Level Talks the National Security Law is still being enforced," "the people in the South have not been allowed even to discuss the proposal on the Koryo confederal system simply because it was put forward by the North side," and "our plan to hold a North-South student festival was trampled underfoot and frustrated by the South Korean authorities."

The students' attitude seemed to be that there was no reasons why they should not say to the North Korean reporters the statements that they use when they waged demonstrations on their campuses. Rather, they appeared to be expecting sympathy from the North Korean guests.

The North Korean reporters, as if they were making an important announcement, said to the students that "Kim Hyong-Chik Teachers University in Pyongyang has recently awarded a diploma of graduation to student Yim Su-kyong and also the great leader Kim Il-song and the dear leader Comrade Kim Chong-il have given the prize of national reunification to her." At this moment, the students gave shouts of joy and cheers. Regrettably, however, none of the students seemed to be thinking about the North Korean reporters' statements.

Of course, the students have their own logic, and the contradictions existing in the South Korean society where they live may look bigger and graver to their eyes. Also, they must have wanted to talk with the North Korean guests with an open mind, from their feelings of compatriotic love.

However, in view of the behavior that the South Korean students assumed when the North Korean reporters visited their school and judging from the acts and attitudes of North Korean reporters in general, the North Korean reporters will probably write the following after returning to Pyongyang: "South Korean students were deeply moved to tears by the leadership of the great comrade leader."

Alternate Date for Sports Talks Proposed

*SK1812111990 Seoul YONHAP in English 0920 GMT
18 Dec 90*

[Text] Seoul, Dec. 18 (YONHAP)—South Korea has rejected North Korea's date of Dec. 20 for sports talks and counter-proposed that they be on Jan. 15 instead. No date was set in the first round of talks on Nov. 29. The South proposed Jan. 15 while the North suggested December.

Chang Chung-sik, the South's chief delegate, forwarded the proposal in a telephone message to his North Korean counterpart, Kim Hyong-chin. North Korea proposed Dec. 10 that the meeting be held Dec. 20 to discuss the formation of single Korean teams to world events.

Chang expressed regret that the first meeting failed to make progress and said inter-Korean sports exchanges and single teams were inseparable issues and it was more important to recognize that the two issues are actually one problem. He called North Korea's refusal to discuss sports exchanges "unrealistic."

The Nov. 29 meeting failed to make a progress due to different positions on the agenda. The South proposed that sports exchanges be discussed first while the northern side insisted on discussing the formation of single teams.

Chang said he was unable to understand North Korea's position that the institutionalization of regular soccer matches was not urgent while the formation of a joint team for the 1991 world table tennis championships was. If the sports talks failed to produce an agreement because of hasty planning, it would disappointment the people again, Chang said.

The talks were resumed under an agreement reached in Seoul in October. South and North Korean sports officials had discussed in vain the formation of a single Korean team to the Beijing Asian Games (Sept. 22-Oct. 7) until February, when the talks broke up over a guarantee of agreement and other procedural matters.

Religious Groups Secretly Donate Rice to DPRK

*SK1912023890 Seoul YONHAP in English 0223 GMT
19 Dec 90*

[Text] Seoul, Dec. 19 (YONHAP)—South Korean Christians secretly sent 800 tons of rice to North Korea in July, transshipping it in Hong Kong to vessels from Pyongyang.

Confirming a report by a Japanese newspaper, a group calling itself the "rice of love, Korea" said Tuesday it had shipped 10,000 bags of 1989 crop from Pusan on July 3 and the rice had arrived in the North Korean port of Nampo on July 27.

The group, set up by mainline christian organizations and led by the Rev. Hah Kyong-chik, began a nationwide drive to help the poor at home and Koreans abroad by sending them rice in March and has collected some 2.57 billion won (3.6 million U.S. dollars) from over 200,000 people.

Japan's Obligations in DPRK Ties Stressed

*SK1912013790 Seoul THE KOREA TIMES in English
19 Dec 90 p 6*

[Editorial: "Japan-NK Talks for Ties"]

[Text] The agreement between Japan and North Korea to open formal talks on the establishing of diplomatic relations late next January signals another dramatic change on the Korean peninsula and in East Asia. If the two countries succeed in their diplomatic rapprochement, the development will be comparable to the historic signing of the normalization accord between the Soviet Union and the Republic of Korea.

However, there are many obstacles ahead of the Tokyo-Pyongyang talks, as was indicated in the course of their preliminary contacts over the past three months to November 3. The basis of their agreement to start formal talks is vague and fragile, and it is only expediency and exigency which keeps them from collapse.

There is little doubt that the Tokyo-Pyongyang meeting Monday was prompted by the visit to Moscow by President No Tae-u and the summit talks with Soviet leader Mikhail Gorbachev last week which led to the release of a joint communique, the Moscow declaration, on general principles of their relations.

The Pyongyang regime has an acute need to approach Japan, an economic power allied with South Korea, in its attempts to break out of its self-imposed isolation, deepened by the Seoul-Moscow diplomatic normalization and the improvement of Seoul-Beijing ties.

At the same time, North Korea's desperate economic plight seems to be another factor, perhaps even a more important one, for its acceleration of its contacts with Japan and the discarding of its dogmatic policy of refusing to normalize relations with any country which maintains diplomatic ties with the Seoul government.

The Japanese government might also feel it is necessary to upgrade its standing in the international community to cope with the formulation of a new political and economic order in the world, represented by the reunification of East and West Germany and the imminent integration of Western Europe.

In order to strengthen its position as a leader in Asia, Japan has a need to better or normalize relationships with both South and North Korea, as a basis for its advance into other Asian countries, nations which have yet to cast off bad memories of past Japanese behavior and are still skeptical about its ulterior motives.

The rapidly growing contacts and cooperation between Seoul and Moscow certainly has provided the catalyst for the Japanese approach to Pyongyang, and use of the North Korean card is for the restraint of Seoul-Moscow rapport, taking place regardless of its own policy on the Soviet Union, and in particular the long-standing Japan-Soviet territorial dispute.

The mutual necessity for improved ties between Japan and North Korea helped their working-level negotiators to strike out compromise terms for the opening of formal talks—the first round in the North Korean capital late next month, to be followed by further rounds in Tokyo and Beijing, if necessary, later.

The agenda to be taken up at the forthcoming talks is roughly divided into four items—basic problems, economic problems, international issues and other questions of common concern. With this vague division of the talks, the two sides have technically covered two controversial issues: the North Korean request for Japanese reparations for its colonial rule of the Korean peninsula from 1910 to 1945 and additional compensation up to the present, versus the Japanese demand for international inspection of North Korean nuclear facilities.

To grapple with these problems, the Japanese government may well take into account the need for the tempo of their normalization talks to stay abreast with the progress of inter-Korean dialogue. At the same time, no compensation should take place before the establishment of formal Japan-North Korean diplomatic ties.

The international inspection of North Korean nuclear facilities is the inalienable demand of other countries concerned, including not only Korea but also the United States, providing a safety valve for lasting peace on the Korean peninsula. Japan at this point has an obligation to play a leading role in maintaining peace and security in Asia and the rest of the world.

Soviet Scholar Releases Thesis on Koreas

*SK1912093990 Seoul TONG-A ILBO in Korean
13 Dec 90 p 5*

[Article by Chang Haeng-hun, director of the European bureau of the TONG-A, from Moscow]

[Text] In early December in Tashkent, the capital of the Uzbek Soviet Socialist Republic, the ROK International Relations Institute (chief: Choe Chong-ki) and the World Economics and International Relations Institute, Moscow, [IMEMO] jointly hosted a "ROK-USSR round-table seminar." During the seminar, a noteworthy

critical thesis on ROK-USSR relations and the Soviet Union's policy toward North Korea, and North Korea's reunification policy was released which drew a great deal of attention. Andrey Pushkin [as published], senior researcher for IMEMO, released a thesis entitled, "Resolving the Korean Peninsula Issue and the Soviet Union's Policy." In this thesis he said that the establishment of diplomatic relations between the ROK and the USSR is a belated decision and that delaying the normalization of relations between the ROK and the USSR as such is a mistake by the diplomatic authorities of the Soviet Union in judging their national interest. This thesis especially attracted attention because it bitterly criticized the leadership of the Soviet Government by saying that it had unconditionally supported North Korea's unrealistic reunification policy which does not follow the same reform line as the Soviet Union's, and the Soviet military for supplying up-to-date weapons to North Korea.

In his thesis, Pushkin was bitterly critical, concluding that if North Korea does not face reality and does not revise the direction of its policy, a breakthrough might be provided through a "dramatic event." Pushkin's thesis does not speak for IMEMO or the Soviet Government but it attracted attention because a senior researcher of IMEMO, a think tank of the Soviet Government, would release such a thesis. Following is the gist of Pushkin's thesis that was released in the ROK-USSR round-table seminar.

With the establishment of diplomatic relations between the ROK and the USSR on 30 September 1990, I am of the firm belief that the possibility of resolving the Korean peninsula issue peacefully has been promoted. The ROK-USSR contact which started on the occasion of the Seoul Olympics was successful in overcoming scores of years of difficulties through the strength of perestroyka diplomacy. The establishment of diplomatic relations between the ROK and the USSR was a natural and logical consequence.

The ROK and USSR have a complementary relation economically and the ROK's advanced economy can help the problem of the Soviet Union's lack of consumer goods and can also contribute to revitalizing Soviet businesses.

From the point of the Soviet Union's national interest, the Soviet Union should have normalized relations with the ROK at an earlier date, but this was impossible due to the so-called "North Korean element." However, the North Korean element is merely an excuse. Fundamentally, when the Soviet officials in charge of diplomacy decided on the precedence for national interest, they made a wrong assumption. In 1961, the Soviet Union concluded a treaty on friendship and cooperation for mutual support and an agreement on military alliance and economic cooperation with North Korea. Therefore, the Soviet Union provided enormous assistance to North Korea but it was spent in questionable ways,

resulting in waste. This was a mistake of the Soviet economic planning authorities.

With the selfish motive of making an "eastern outpost of socialism," Stalin agreed to Kim Il-song's reckless armed aggression into South Korea.

Currently in East Europe, the people's democracies are collapsing and they have freed themselves from the restraints of communism which have existed for over half a century, but North Korea is in a situation running counter to the world's trend.

Currently the relations between the Soviet Union and North Korea are not smooth. It is not a coincidence that Gorbachev has not yet accepted Kim Il-song's invitation to visit North Korea. He asked Gorbachev to visit North Korea when he was visiting Moscow in 1986.

The Soviet Union's ideological theorists are feeling uncomfortable over the fact that Kim Il-song is all the more professing to be the "great leader" and that he is insisting on the "chuche" idea which spoils Marxism and Leninism by mixing nationalism with communism. Perestroika is like a bone stuck in one's throat to the North Korean leaders. Therefore, currently the Soviet-North Korean relations are cool.

There are two reasons for this since the Soviet Union and North Korea have maintained close relations, even though they had experienced ups and downs, since Khrushchev's time. The first reason is that the Soviet military executed cooperative plans with North Korea independently, avoiding the control of the federal government or the congress. During the period of perestroika, the military supplied up-to-date weapons to North Korea, an ally of the imperialist [as published] struggle.

The generals of the Soviet military staff are still drawing the "triangle allies", the United States, the ROK, and Japan, and "the hostile country bloc," on the Far East Asia map. From the diplomatic point of view, the North Korean policy which takes on a strong nationalist color does not satisfy the Moscow leadership, nevertheless the Soviet leadership issued a statement supporting the North Korean leadership that proposed that a "peaceful reunification proposal without outside interference," is a "constructive proposal."

However, it seems that North Korea's reunification method is not reasonable. The proposal for forming a confederal republic of Koryo might have achieved political propaganda effect but this is an unrealistic proposal which the counterpart cannot accept. Thus, this was put forth only to win in the contest for taking the initiative.

By establishing diplomatic relations with the ROK, the Soviet Union became the first powerful country to establish diplomatic relations with both North and South Korea. It might seem difficult to see this as the start of "cross recognition." North Korea is opposing the cross recognition by saying that this is a plot by the

enemies to perpetuate division on the Korean peninsula. However 70 countries of the world have diplomatic relations with North and South Korea simultaneously and North and South Korea are also participating together in international organizations and UN organizations.

With the establishment of diplomatic relations between the ROK and the USSR, North Korea received a severe blow. However, the ones that received the severe blow are not the North Korean people but the North Korean privileged class, the Kim Il-song family, and the party bureaucrats. Currently, the North Korean leadership know very well that they have been completely defeated by South Korea in all of the political, economic, and diplomatic fields.

There is a possibility for the ROK Government to join the United Nations. China's attitude is not clear but it will be difficult for China alone to exercise the veto. The current situation demands that the North Korean leadership find a new method in approaching the issue of the Korean peninsula.

As soon as the Soviet Union established diplomatic relations with the ROK, North Korea, through a NODONG SINMUN special article, threatened that it will settle this matter with the Soviet Union. As part of its retaliation, Kim Il-song may not invite Soviet diplomats to a banquet hosted by himself; summon the North Korean ambassador to Moscow; strengthen surveillance over Soviet diplomats in Pyongyang; or increase attacks or accusation against the Soviet Union. However, the Soviet Union is now used to these kinds of acts.

In the ROK, it might be hoped that the Soviet leadership can exercise power as it once did toward Pyongyang in resolving the Korean peninsula issue but this is a naive thought. As long as there is no fundamental change in North Korea's chuche idea; as long as there is no change in the structure of the North Korean regime; and as long as the North Korean leadership does not throw away the Stalinist dogma to carry out uncompromising struggle against imperialism, it seems that it will be difficult for the Soviet Union to exercise power.

Daily Interviews Soviet NOVOSTI Journalist

*SK1512022090 Seoul HANGUK ILBO in Korean
14 Dec 90 p 3*

["Exclusive" interview with (Igor Sidorov), editorial writer in charge of Asian and Pacific affairs of NOVOSTI, by Moscow correspondent Yi Chang-hun]

[Text] Soviet media have expressed great attention on the summit talks between Presidents No Tae-u and Gorbachev and expect that a foundation of friendly ties between the ROK and the Soviet Union, which will be further consolidated by the upcoming summit talks, will serve as a decisive opportunity in promoting peace in Northeast Asia and in achieving the reunification of the Korean peninsula. So said (Igor Sidorov), editorial

writer in charge of Asian and Pacific affairs of NOVOSTI, one of the two Soviet news agencies, in his 13 December exclusive interview with our newspaper. He stressed: "Now, a 'new Northeast Asia era' will open." Editorial writer (Sidorov) is a distinguished journalist who worked as NOVOSTI's correspondent in Pyongyang from 1985-1989. The following is the interview.

[Yi] What do you think is the significance of the summit talks between Presidents No Tae-u and Gorbachev in view of the task of promoting peace and establishing a new order in Northeast Asia?

[(Sidorov)] I think that the historic visit to the Soviet Union by President No and the Korean-Soviet summit talks will contribute to bringing an end to a confrontational structure on the Korean peninsula and to peacefully achieving the reunification of the North and South. Of course, the reunification of the Korean peninsula is a matter of the North and South and must be achieved through dialogue. However, as a matter of fact, it is necessary for the North and South to closely consult with the Soviet Union, the United States, China, Japan, and other countries in the vicinity of the Korean peninsula. I think that the Soviet Union and the ROK will extensively discuss matters of mutual interests. The Soviet Union will never oppose the reunification of the Korean peninsula.

[Yi] Then, how will the relations between the ROK and the Soviet Union develop?

[(Sidorov)] As you know, the ROK and the Soviet Union have established substantial relations in the political, economic, and all other fields. I expect that in the political field, as new allies, the two countries will cooperate for peace and stability in Northeast Asia and that in the economic field, the two countries will quickly open a new era by supplementing each other in essential fields.

[Yi] Do you think it possible to form such a security and cooperation structure as the CSCE, Europe's collective security body?

[(Sidorov)] It will be difficult to do so in a short period of time. It will be possible in the long run. Japan and North Korea are rapidly moving toward normalizing relations, and China and the ROK have exchanged trade representative offices. An atmosphere is prevailing in the North and South to recognize each other's existence. I think that, considering the interests of countries concerned, Northeast Asia will consequently have no alternative but to establish a security and cooperation system.

[Yi] The ROK wants to enter the United Nations unilaterally or together with North Korea. What do you think of this?

[(Sidorov)] Two Koreas' admission into the United Nations will be beneficial to the reunification of the Korean peninsula. East and West Germany entered the

United Nations as two Germanys and promoted dialogue and cooperation up until they were reunified.

I think, however, sole admission of the ROK into the United Nations will not help reunification greatly. If the ROK hastens its admission into the United Nations, this may hamper the atmosphere of dialogue between the North and South.

[Yi] Between the ROK and North Korea, which is more important to the Soviet Union?

[(Sidorov)] The Soviet Union has maintained close ties with North Korea as an ally. It cannot break off these relations overnight simply because it established diplomatic relations with the ROK. Both the North and South are important. What relations the Soviet Union will maintain with the ROK depends on the ROK.

I can clearly say that in the economic field, the Soviet Union regards the ROK more important than North Korea.

[Yi] Does the Soviet Union have the intention of asking North Korea to carry out reforms?

[(Sidorov)] The Soviet Union wants a peaceful reunification of the Korean peninsula. The Kim Il-song regime or any other North Korean regime [as published] will know the Soviet Union's view. However, North Korea's system is its own matter.

[Yi] Will the visit to Japan by Gorbachev next April serve as an occasion to improve relations between Japan and the Soviet Union?

[(Sidorov)] I do not expect the pending northern islands issue to be easily resolved. Even though Japan thinks that the Soviet Union is building up its Pacific fleet, the Soviet Union does not want military buildup in this region at all. Viewed from this perspective, I think, the Soviet Union and Japan must step up mutual cooperation.

The Soviet Union is an Asian state, as well as a European state. The notion that the Soviet Union will never change the international order by returning to the past cold-war structure was proven by great changes in Europe, was it not?

[Yi] When does the Soviet Union predict the ROK and China will establish diplomatic relations?

[(Sidorov)] The Soviet Union predicts that they will establish diplomatic relations at the end of next year. However, the relations between China and North Korea must be considered in this prediction.

China will hasten the establishment of diplomatic relations if it wants to promote its own interests. However, because China's internal affairs may be an obstacle, it may take some time to establish diplomatic relations. However, it is clear that China, too, will follow the course of the Soviet Union.

Cabinet Advised To Plan Cooperation With USSR

*SK1812070590 Seoul YONHAP in English 0639 GMT
18 Dec 90*

[Text] Seoul, Dec. 18 (YONHAP)—President No Tae-u directed his Cabinet to map out measures for economic and technological cooperation with the Soviet Union in a briefing Tuesday on his trip to Moscow. He asked for measures to be taken so that Korea's exports of consumer goods and plant to the Soviet Union will be smooth and effective, and explained the outcome of his four days in the Soviet Union and summit talks with President Mikhail Gorbachev.

The president stressed the need for intensive consultation between government and business on participation in joint-venture projects for building infrastructure and resources development, and told the Cabinet to establish a system of organic cooperation among the government, research institutes and private businesses in the selection of up-to-date Soviet technologies.

Saying that the purpose of his Oct. 13 declaration of war on crime had not been achieved, he ordered the Cabinet to continue a powerful crackdown on crime. The president asked the Cabinet to draw up a plan to stabilize prices and industrial relations and to promote exports next year.

Foreign Minister Choe Ho-chung told No his ministry would try to arrange for Gorbachev to visit Korea in the first half of next year and establish regular policy consultation meetings between the Korean and Soviet Foreign Ministries.

Science and Technology Minister Kim Chin-hyon said the first vice ministerial nuclear coordination meeting between Korea and the Soviet Union would be held in March, and a Korea-Soviet Science-Technology Cooperation Center would open in the Korea Institute of Science and Technology by the end of next year.

Trade and Industry Minister Pak Pil-su said construction of a Korea-Soviet trade town in Moscow will begin next year and his ministry would work out measures to prevent Korean companies from engaging in excessive competition in the Soviet Union.

Soviet Scholar Comments on No Tae-u's Trip

*SK1812134690 Seoul CHOSON ILBO in Korean
14 Dec 90 p 4*

[Article by K. Bogatyrov, doctor of history, department head of the Academy of Sciences USSR, and an expert on Korean peninsula affairs, carried by NOVOSTI—first paragraph is editor's note]

[Text] Following is an article contributed by K. Bogatyrov, doctor of history, department head of the Academy of Sciences USSR, and an expert on Korean peninsula affairs, on the occasion of President No Tae-u's visit to the Soviet Union, carried by NOVOSTI.

Since the first unofficial talks between Soviet President Gorbachev and President No Tae-u in San Francisco, it was very difficult to imagine that the ROK president would be able to pay an official visit the Soviet Union in December of that same year. It seems clear that currently, the Soviet Union has decided to remove all of the last traces of World War II and the Korean war which perpetuated the division on the Korean peninsula.

After returning home, the Soviet journalists and political figures who had participated in the Seoul Olympics raised their voices approving the new attitude in the relations with the ROK. Because of this, an overall reexamination of the situation on the Korean peninsula was carried out and the Soviet's position became more realistic and discreet.

In view of the interest of North Korea and the North Korean leadership which has been reacting to the U.S.-USSR dialogue; the normalization of relations between China-USSR; the beginning of contact by the ROK-USSR; and other political developments surrounding the Korean peninsula, it is very important that rapid agreement was reached by the ROK and the Soviet Union to restore diplomatic relations. Because of this, it was decided that the North Korean authorities needed time to deal with the inevitable changes. Therefore, it seems that it took a long time for official diplomatic relations between the ROK and the USSR to be established.

Very often, it seemed that there was no limit in the flexible policy that was shown by the ROK Government and this kind of policy has finally showed its worth. During the past two years, President No has laid aside his political ambitions and made many compromises in the form and level of the normalization of ROK-USSR diplomatic relations. It seemed that he did not mind the unclear attitude of the Soviet diplomats and the severe criticism from North Korea.

Now, everyone has come to recognize that the dignified policy of the ROK Government has become a symbol of strength, not weakness. Currently, President No Tae-u is officially visiting the Soviet Union and North Korea's premier is visiting Seoul. From the view of international stability, this is the positive result of President No Tae-u's diplomacy because normalization of the Korean peninsula can be achieved only by eliminating North Korea's isolation.

The Soviet Union believes that the only way to resolve the discord on the Korean peninsula is by constructing a reunified democratic country based on the free will of the Korean people. In order to achieve this internal conditions must mature. However, external conditions are also important. These external conditions will be important issues in the Moscow ROK-USSR summit talks. Also it is expected that issues such as the stationing of U.S. troops on the Korean peninsula and their gradual withdrawal; representatives of North-South Koreans participating in UN activities; and North-South dialogue will be discussed.

Working-Level Talks on Fisheries Scheduled*SK1912015490 Seoul THE KOREA HERALD
in English 19 Dec 90 p 6*

[Text] A Soviet delegation, led by Soviet Deputy Fisheries Industry Minister Vyacheslav Zilanov, is scheduled to visit Seoul early next month to hold working-level consultations with Korean government officials for the signing of a fisheries accord between the two countries.

Yun Ok-yong, administrator of the National Fisheries Administration, said yesterday in a press conference, "While staying in Moscow, I and Zilanov agreed in principle to exchange working-level officials at an early date for the conclusion of a fisheries pact.

"We invited a Soviet team to prepare a Seoul-Moscow fisheries agreement based on a draft exchanged earlier, and the Soviet side accepted our proposal," said Yun, who returned home Monday after a five-day visit to the Soviet Union as a member of President No Tae-u's entourage.

The purpose of the Soviet delegation's visit to Seoul is to engage in working-level consultations for the signing of a fisheries agreement and to conduct an in-deputy survey on Korea's fisheries industry, he said. "After the Soviet delegation which will comprise seven or eight government officials visits Seoul, we will dispatch a Korean team to Moscow to fix details of the contents for the Seoul-Moscow fisheries pact," said Yun.

The Soviet Union seeks a close cooperation with Korea in the fields of joint ventures, exports of processed fishery products, and maintenance of fishing boats.

Korea is interested in Soviet deep-sea fishing operations in the northwest Pacific, a government official said. "We are planning to sign a Seoul-Moscow fisheries agreement before No and Gorbachev hold their next summit talks in Seoul around next spring," he said. Presently, Korea and the Soviet Union cooperate on a private level to catch 70,000 tons to 80,000 tons of fish a year.

Korea, China, USSR Association Inaugurated*SK1612031390 Seoul THE KOREA HERALD
in English 16 Dec 90 p 3*

[Text] The Korea, China, USSR Association (KCUA), a nongovernmental organization, was inaugurated yesterday to promote exchanges in the economic, social and cultural fields among the three countries. "Now is the time to lay a solid cornerstone toward the creation of a cooperative and prosperous Northeast Asia," the association said in its purport.

The institute will publish periodicals regarding the three nations. The institute also plans to invite second, or third generation Koreans living in China and the Soviet Union to study in South Korea and likewise send young South Koreans to these countries for the same purpose.

The association's 14 promoters include, Kim Hak-chun, chief assistant to the President for policy research, Nam Tuk-u, chairman of Korea Foreign Trade Association (KFTA), Kim Chin-kyong, rector of a technical college in Yanbian, China, Son Chae-sik, former unification minister, and Kim Sang-chol, a lawyer. Ruling party lawmaker Yun Kil-chung is the director-general of the KCUA board, and Tanguk University-President Chang Chung-sik is the chairman.

Persian Gulf Support Planned by Year's End*SK1912022990 Seoul YONHAP in English 0215 GMT
19 Dec 90*

[Text] Seoul, Dec. 19 (YONHAP)—South Korea will send cash and material support worth 120 million U.S. dollars to the U.S.-led multinational forces in Saudi Arabia and to frontline states before the end of the year, government sources said Wednesday.

Korea had agreed to provide 220 million dollars.

The economic planning board has allocated 120 million dollars to the Foreign Ministry, enabling it to send 50 million dollars in cash to the U.S. military for operation Desert Shield, in addition to 50 million dollars of logistical support and 20 million dollars of transportation in Korean planes and ships.

Another 50 million dollars for the multinational forces is contained in the 1991 budget, and in addition Korea will give 40 million dollars to the frontline states, including Egypt, Jordan and Syria, which are bearing the brunt of sanctions against Iraq, from the economic development cooperation fund and 10 million dollars worth of rice.

Extradition Treaty With Australia Set for 16 Jan*SK1912090790 Seoul YONHAP in English 0849 GMT
19 Dec 90*

[Text] Seoul, Dec. 19 (YONHAP)—The South Korean Foreign Ministry said Wednesday that an extradition treaty with Australia will take effect on Jan. 16. The pact, which applies for offenses punishable by at least one year in jail, is the first that Korea has signed. A ministry spokesman said that because of the agreement the two nations will be able to better cooperate in fighting crime as a bilateral judiciary cooperative system can now be established.

Envoy Urges Measures for Resuming Uruguay Round*SK1912064190 Seoul YONHAP in English 0445 GMT
19 Dec 90*

[Text] Washington, Dec. 18 (YONHAP)—South Korean presidential Envoy Cho Sun, on a U.S. tour, said Tuesday it was urgent for Korea to map out comprehensive measures in preparation for resumption of the Uruguay Round.

Meeting with Korean correspondents based here, the former deputy prime minister said many Americans had told him that they expected U.S. Congress to take a hard-line stance against Korea and a few other countries when the global trade talks resume.

Cho noted that Commerce Secretary Robert Mosbacher and other U.S. officials were calling for Korea to take a decisive action in opening its agricultural market. "I don't think their pressure will appear in the form of retaliatory measures shortly, but we have reached a point where we have to work out steps of our own. We should open our market in a strategic way as we may hear bad comments even after opening our market," he said.

In a speech to the Asia Society on Monday, Cho said Korea was aware it had benefited from the free trade system of the General Agreement on Tariffs and trade and his government would hold earnest discussions on the future of the Uruguay Round after cautiously reviewing the developments so far.

Limited Opening for Food Imports Planned

SK1512041090 Seoul THE KOREA HERALD
in English 15 Dec 90 p 6

[Text] The government is planning to include some of dairy products, tropical fruits, and meat in the nation's opening list of agricultural market for 1992-1994 to be announced next March.

With the suspension of the Uruguay Round talks in the agricultural sector, foreigners' pressure for the full opening of the domestic agricultural market is expected to be tougher than ever before, a Ministry of Agriculture, Forestry and Fisheries official said yesterday.

In order to cope with aliens' harsh market opening pressure, Korea has no option but to liberalize imports of foreign agricultural products on a step-by-step basis, the official said.

Presently, the European Community (EC) is making a strong push for Korea's opening of dairy goods, whereas the United States is demanding the full import liberalization of fruits and meat.

Southeast Asian countries, meanwhile, are placing tough pressure on the Korean government to allow imports of tropical fruits, he said.

Apart from this, the government projects to take an emergency step to reduce the domestic production of liberalized agricultural products if the prices of local goods plummet drastically owing to the massive inflow of foreign products into the domestic market.

At the same time, it will work out proper legal devices to curb imports of some foreign agricultural products in case that unlimited introduction of foreign goods deal a serious blow to the domestic agricultural market.

These steps, however, will be made within a range not to violate the present GATT (General Agreement on Tariffs and Trade) regulations, the official said.

EPB Forecast \$2 Billion Deficits for 1990

SK1512040290 Seoul THE KOREA TIMES in English
15 Dec 90 p 8

[Text] Korea's current account and trade deficits are forecast to hit \$2 billion each this year, officials of the Economic Planning Board (EPB) said yesterday.

In an unofficial EPB report on the prospects for trade and the current account for 1990, officials said exports will remain at \$64.5 billion and imports will reach \$70 billion on a customs clearance basis, resulting in a \$5.5 billion trade deficit.

But Trade-Industry Minister Pak Pil-su recently predicted that the trade deficit will amount to \$8 billion on a customs clearance basis for this year.

EPB officials said the exports for this year will show a meager 3.4 percent increase from \$62.38 billion last year and imports will mark a high 13.9 percent growth from \$61.46 billion mainly due to the expensive bill for crude oil imports. As a result, both trade and current account deficits in terms of international payment will reach \$2 billion this year.

The current account deficit forecast by the EPB is larger by \$300 million than the \$1.7 billion predicted by the Bank of Korea. In particular, the EPB forecast that crude oil price rises on international markets triggered by the Persian Gulf crisis will create an additional payment of \$2.7 billion in terms of international payment or four months till the end of this year. The additional bill will comprise \$1.2 billion in crude oil imports and \$1.7 billion in imports of oil derivatives. Crude oil prices soared from \$16.1 a barrel on average in the January-August period to \$26.8 during the remaining months of this year as a result of the Iraqi invasion of Kuwait on Aug. 2.

The board said the nation would have registered a \$700 million current account surplus this year if not for the Gulf conflict. Meanwhile, the EPB has forecast that the economy will grow 7 percent next year in real terms slightly higher than the 6.5-7 percent predicted on Oct. 25.

The growth rate is lower than the probable 9 percent growth for this year. But the contents of the growth will be more sound next year than this year as exports will recover and the growth rate of investment will outpace that of personal consumption.

This year, private consumption and construction have led overall economic growth. EPB officials said exports will increase 7.8 percent in 1991 from this year, far higher than the 3.4 percent forecast this year and imports will rise 8.6 percent compared to 13.9 percent for this

year. But both current account and trade deficits will be posted at \$2.5 billion, due to high crude oil prices, the officials added.

Yi Ki-ho, director general of economic planning of the EPB, said his board will draw up the economic management program for 1991 and report it to President No Tae-u next week. He said the government will put priority in next year's economic management on enhancement of manufacturing industry's productivity and its competitiveness.

To this end, the government will stabilize prices, containing inflation at single digit figures and curbing speculative investment in real estate. Financial and tax benefits such as alleviation of credit control will be given to manufacturers investing in facilities, the director general said.

KBS Broadcasting Union Votes To Strike

SK1512034590 Seoul THE KOREA HERALD
in English 15 Dec 90 p 3

[Text] The trade union of the Korean Broadcasting System (KBS) yesterday said that it will go on a strike because "three months of its efforts to reach an agreement on negotiations with its management came to a rupture."

A union spokesman said the decision on the strike was made by a vote of 102 to 27 in a meeting of its 129 out of total 237 representatives. When to start and how to stage the strike are up to the union leadership, he said.

The labor and the management have been at odds over the issues concerning the selection of four department directors and retirement allowance pay system.

National Assembly Agrees on Budget; Ends Session

SK1912041090 Seoul YONHAP in English 0301 GMT
19 Dec 90

[Text] Seoul, Dec. 19 (YONHAP)—The South Korean National Assembly ended its regular session Tuesday night after passing the 1991 budget, a rice purchase motion and 35 other bills. The budget was set at 26,979.8 billion won after a bitter tug of war over the government's request for 27,182.5 billion won in the National Assembly Budget and Account Committee and was approved by 192 votes to 69 with one abstention.

Kim Tae-chung's Party for Peace and Democracy [PPD] opposed the revised budget, and several members of his party rushed to the speaker's chair and began wrestling with ruling party lawmakers when speaker Pak Chun-kyu announced the passage of 19 bills, including the rice purchase motion.

The 1991 budget is 0.9 percent smaller than the government had requested and 18.9 percent bigger than this year's budget.

The Budget Committee cut 344.46 billion won in 19 areas such as defense spending (36 billion won), the general reserve fund (15 billion won), compensation for farming and fishing household debts (23.7 billion won) and the railway special account (28.4 billion won).

It also added 141.76 billion won, including 100 billion won for agricultural structure readjustment and 68.12 billion won for the Agriculture, Forestry and Fisheries Ministry.

Before the budget vote, PPD lawmaker Kim Tae-sik told the assembly that the budget would bloat the money supply because it was 18.9 percent larger than last year's while the economy was projected to grow 12.9 percent.

Rep. Cho Bu-yong of the ruling Democratic Liberal Party said, "next year's budget can hardly cause a financial deficit or expand the money supply because it is compiled in consideration of the balance between revenue and expenditure."

After the vote, the PPD called on the speaker to resign for his arbitrary operation of the assembly and for railroading passage of many important bills.

The assembly will convene for a 21-day extraordinary sitting on Jan. 24 to consider some 50 bills, including revision of the National Security Law, and laws on the Agency for National Security Planning and the Police.

Assembly Reduces Defense Budget by \$30 Million

SK1912022590 Seoul YONHAP in English 0146 GMT
19 Dec 90

[Text] Seoul, Dec. 19 (YONHAP)—The National Assembly pared budget appropriations to pay the wages of South Korean employees of the U.S. military in Korea from 50 million U.S. dollars to 20 million dollars on Tuesday.

The government had requested 50 million dollars, but the opposition Party for Peace and Democracy claimed that paying their wages on behalf of the U.S. military was unconstitutional and would violate the Status of Forces Agreement (SOFA). There are 43,000 U.S. troops in stationed Korea.

After intense debate until late Tuesday night, the Assembly voted to cut 30 million dollars. The U.S. military will probably still get the money after the SOFA is revised.

Defense Minister Yi Chong-ku, testifying before the National Assembly Budget-Account Committee, said on Dec. 15 that the 50 million dollars (35.5 billion won) should not come out of the 150 million dollars earmarked for the U.S. forces in Korea in the budget.

"Although 50 million dollars is included in the budget bill as pay for Koreans working for the U.S. military in Korea, we cannot pay it without a revision of the Korea-U.S. Status of Forces Agreement," he said.

Rep. Yi Sang-su told Yi he thought that although Korea and the United States had agreed that 150 million dollars of the outlays of the U.S. forces in Korea would be directly borne by Korea, at the 22nd annual Korea-U.S. Security Consultative Meeting (SCM) in Washington last month, the 50 million dollars for labor expenses was null and void because it is not a SOFA stipulation.

"Korea's sharing the labor cost before the SOFA revision is a clear violation of Article 58 and Clause 1 of Article 60 of the Constitution," the lawmaker said.

U.S. Ambassador to Korea Donald Gregg wrote to Foreign Minister Choe Ho-chung asking that the 50 million dollars be kept in the budget.

In the letter, dated Dec. 16, Gregg urged Choe to work intensively with the National Assembly to ensure that the 50 million dollars was approved and denied that he was interfering in Korea's internal affairs.

Meanwhile, Vice Foreign Minister Yu Chong-ha said Tuesday afternoon it was improper to say that Gregg intended to interfere in internal affairs with his letter.

"It is a natural act of diplomacy for an ambassador to convey the wishes of his or her government to the country in which he or she is assigned. It is improper to say that it was interference in internal affairs," he said.

As for Rep. Yi's argument that approving the 50 million dollars in the absence of SOFA revision violates the constitution, Yu said, "it is not a violation of the Constitution since a revision to the sofa will be signed in a few days."

He said the defense minister had agreed with Yi's argument because "he was not fully informed of the progress of the SOFA revision."

Crackdown on Polluting Industries Underway

SK1512042590 Seoul THE KOREA TIMES in English
15 Dec 90 p 3

[Text] A total of 1,147 companies across the nation have violated environment-related laws by discharging toxic industrial waste without proper treatment, the Environment Ministry said yesterday. The announcement came after the ministry launched an inspection of 8,368 pollution-emitting factories throughout the nation from Oct. 13 to Nov. 30.

The special crackdowns were designed to root out environment-related crimes after President No Tae-u declared a war on crime, a spokesman said. He said that 5,462 officials from 40 crackdown squads from the ministry headquarters and others from the ministry's local offices attended the inspection.

The Namhae Chemical Corporation in Yochon, Chollanam-to, and 145 other companies were ordered to suspend their factory operation for discharging industrial waste without treatment, the ministry said. Namhae, a fertilizer manufacturing firm, was accused of polluting the Kwangyang Bay by discharging 120 cubic meters of waste water daily, it said. The firm has been accused by the ministry twice in the past for illegally discharging toxic waste but turned a deaf ear to the ministry order.

The ministry told the Hyundai Electrical Engineering Co. in Ulsan, Kyongsangnam-to, and another 301 factories to suspend operation for setting up unauthorized waste treatment facilities. A total of 356 factories including the Oriental Chemical Industry Co. in Incheon were instructed to repaid their waste treatment facilities for discharging toxic waste exceeding the permissible level, the ministry said. Meanwhile, 112 factories including a factory of the Han Woo Co. in Taejon were reported to law-enforcement authorities for failing to properly dispose of industrial waste, it said.

Burma**Opposition Leaders Declare Parallel Government****Sein Win Named 'Prime Minister'**

*BK1812135690 Hong Kong AFP in English 1348 GMT
18 Dec 90*

[Text] Bangkok, Dec 18 (AFP)—Opponents of Burma's military junta, headed by leaders of the country's democracy movement, announced creation of a parallel government Tuesday.

The group, calling itself the National Coalition Government of the Union of Burma, made the declaration at the eastern Burmese town of Manerplaw, near the Thai border.

It vowed to fight for the overthrow of the ruling military junta.

The parallel government is to be headed by Sein Win, cousin of National League for Democracy (NLD) leader Aung San Suu Kyi, who has been held under house arrest by the junta for more than a year.

Dr. Sein Win, who has been named prime minister in the alternative government, was one of almost 400 NLD members who were elected in Burma's May general elections.

In a statement released shortly after the formation of the parallel government, the group said: "Now we, the people representatives of the People's Assembly, have formed a government in the liberated areas."

Since the May elections the SLORC [State Law and Order Restoration Council] have refused to hand over power to the NLD, which won the election by a landslide. In a massive crackdown the junta arrested scores of NLD members and most of the party's national executives.

Three 'Main Aims' Outlined

*BK1812154990 Hong Kong AFP in English 1532 GMT
18 Dec 90*

[Excerpts] Bangkok, Dec 18 (AFP)—Opponents of Burma's military junta, headed by leaders of the country's pro-democracy movement, announced creation of a parallel government on Tuesday.

The group, calling themselves the National Coalition Government of the Union of Burma (NCGUB) made their declaration at Manerplaw, close to the Thai border.

They vowed to fight for the overthrow of the ruling military junta, formally known as the State Law and Order Restoration Council (SLORC).

The NCGUB is to be headed by Sein Win, cousin of the National League for Democracy (NLD) leader Aung San Suu Kyi, who has been held under house arrest by the junta for over a year. [passage omitted]

The new government has been formed following talks between more than 10 NLD MPs [members of Parliament] and the Democratic Alliance of Burma (DAB), an umbrella organisation made up of 21 anti-Rangoon groups who believe in armed struggle. [passage omitted]

The NCGUB outlined three main aims: the overthrow of the SLORC, to call a national convention made up of election victors, members of the DAB and other democratic forces, and to establish a genuine democratic government.

Shortly before the announcement, Rangoon-based diplomats, who had been tipped off about the move, described the plan as both futile and dangerous.

"It will make the regime mad and make them crack down even harder," said one diplomat.

"If the NLD party in Rangoon does not disown them it will be the end of the party," he added.

"What they are planning to do is madness. All they are doing is putting a lot of people's lives at risk. There is probably not a government in the world that will recognize them," said another diplomat.

The diplomats also cast doubt on the level of support the NLD MP's, who had fled to the Thai border to create the new government, enjoyed among the general population.

"There is no great reservoir of people for anyone trying to create a resistance movement. There are no political gurus," said one diplomat.

However, he added that if Aung San Suu Kyi could somehow get a message out, her support for the new movement would be pivotal.

A Thai Government source said Bangkok would never recognise the NCGUB.

"It is impossible for us to derecognise the SLORC. This is not because we prop up the military regime as widely alleged, but for reasons of trade and hundreds of Thai trawler crews imprisoned in Burma. We have to keep up the official contacts," said the source who declined to be named.

The NCGUB is made up of an eight-strong cabinet. All but one are NLD members.

Only hours before the NCGUB announcement, an interview with the ruling junta's military intelligence chief, Major General Khin Nyunt, was published by the English-language BANGKOK POST newspaper.

Major General Khin Nyunt told the newspaper that the plan for a parallel government would ultimately be self-defeating.

"We have given assurances that the transfer of power will take place only when a strong and stable government could be formed in accordance with a new constitution

to be drafted. Hence there arises no question to set up a provisional government in any form or formula.

"No single political party or insurgent group has the right to proclaim such a government. Attempts to do so would prove ultimately self-defeating," Major General Khin Nyunt said.

New Constitution in '3 Months'

*BK1812160990 Hong Kong AFP in English 1554 GMT
18 Nov 90*

[Text] Rangoon, Dec 18 (AFP)—One of Burma's leading political figures said Tuesday the envisaged national convention aimed at drafting a new constitution would materialize within the next three months.

Aung Gyi said that since practically all registered political parties had supported the ruling State Law and Order Restoration Council's (SLORC) July 27 proclamation calling for a national convention, he believed it would be held in the next two or three months at the latest.

Mr. Aung Gyi was speaking before the declaration by a group of National League for Democracy (NLD) MP's that they had set up a parallel government near the Thai border.

"I only hope that instead of making it long drawn-out affair, the delegates would be able to come out with some concrete resolutions within a matter of a week or ten days at the most," said Mr. Aung Gyi, founder of the Union Nationals Democracy Party (UNDP).

Military authorities here have made it clear that they will only transfer power to the next constitutionally elected government.

They have also insisted that the only function of those elected in the May 27 multi-party general elections was to draft a strong and comprehensive constitution.

The popular NLD easily won the May 27 elections, taking 80 percent of the 485 parliamentary seats, while 26 other political parties including Mr. Aung Gyi's UNDP shared the rest.

Mr. Aung Gyi, who is obviously already setting his sights on the next general elections, had earlier said Burma would become a democratic state in no more than three years.

New 'Government' Names Cabinet

*BK1912005790 Bangkok BANGKOK POST in English
19 Dec 90 p 7*

[Excerpts] Anti-government legislators in Burma formed a provisional government in Manerplaw yesterday and said their top priority was bringing about the end of the Saw Maung regime in Rangoon.

The National Coalition Government of the Union of Burma (NCGUB) will seek worldwide recognition as the country's sole legitimate government. Sein Win is its

"prime minister" and six of its seven other "ministers" belong to the National League for Democracy. [passage omitted]

They include:

- Prime Minister Sein Win, who also is defense minister and home minister.
- Foreign Minister U Peter Lin Pin.
- Finance and Revenue Minister U Win Ko.
- Trade and Cooperatives Minister U Than Kywe.
- Education and Health Minister U Hla Pe, who is also information minister.
- Justice Minister U Thein Oo.
- Construction Minister U Bo Hla Tint, who is also mining and energy resources minister.
- Social Welfare Minister U Tun Oo, who is also labour minister. [passage omitted]

Party Expels Backers

*BK1912090490 Hong Kong AFP in English 0852 GMT
19 Dec 90*

[Text] Rangoon, Dec 19 (AFP)—Eight National League for Democracy (NLD) MPs who announced the formation of an alternative Burmese Government near the Thai border on Tuesday night have been expelled from the party.

An NLD source said here Wednesday that the decision to withdraw their membership was taken at a special meeting yesterday of NLD leaders.

In a statement, the NLD said the MPs had been "relieved of their party responsibilities and their party membership revoked."

Drug Trade Traditional Part of Life in Guo Gan

*HK1512065790 Hong Kong Television Broadcasts
Limited in English 1115 GMT 14 Dec 90*

[Video report by Peter Maize from "News at 7:15" program—final report in a four-part series on drug lords in Guo Gan, Burma. First three parts published in 14 December East Asia DAILY REPORT in the Burma section on pages 29-30]

[Text] The people of Guo Gan in northeastern Burma live in virtual isolation from the rest of the world. Their only industry is heroin. In spite of the multimillion-dollar drug trade, the region is wrecked by poverty. Even the drug lords say they are willing to give up their illicit business to win international assistance. Tonight we present the final part of our series on Burma's thriving drug trade.

The markets of Guo Gan are filled with goods from China. Shoppers speak Chinese, and many dress in traditional clothing from the province across the border. Guo Gan has been dominated by ethnic Chinese for three centuries. People here pay little attention to Burmese customs and culture. For all real purposes, they live in a world of their own. That world does not have paved roads, running water, or telephones.

[Sounds of bell] In a place where daily necessities are hard to come by, school books are an absolute luxury. There are only 10 teachers in the entire region, using outdated materials when they can find them.

[Unidentified speaker, in Mandarin] For example, reference books and most other books are difficult to buy. In addition, we wish to subscribe to some newspapers, but newspaper subscriptions are impossible. [end Mandarin passage]

Life here is not getting any better. The proceeds from years of heroin production have had no impact on the daily lives of these people. Now most of the drug lords say they are willing to drop the drug trade in a bid to improve the quality of life in Guo Gan. That will shut off their one source of income, but the drug lords believe the outside world will be willing to provide the tools they need to build legitimate industries, improve the roads, maybe even bring in electricity. It is a desperate gamble.

The people of Guo Gan have many traditions. Growing heroin is one of them. It will not be easy to destroy it.

Cambodia

SRV 'Secret Agents' Said Working in Phnom Penh

BK1912061790 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 19 Dec 90

[Text] Reports reaching the Voice of the Khmer newsroom say there are about 60,000 Vietnamese secret agents working in the Vietnamese-installed Phnom Penh administration.

The sources say all these hidden Vietnamese agents speak Cambodian fluently and that their families have been naturalized as Cambodian by the Vietnamese-Heng Samrin authorities.

Earlier, there were reports saying that Vietnam has hidden its troops among the Heng Samrin forces and among the Vietnamese community, and also in some inaccessible areas.

Defense Line in Oddar Meanchey Said Liberated

BK1912020090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 18 Dec 90

[Excerpts] 1. Tonle Sar is a major and strategic position of the Vietnamese enemy and puppets. Its task is to defend Samraong, Oddar Meanchey provincial seat. This position is west of the Samraong town with a lot of Vietnamese and Cambodian troops, a lot of various types of artillery pieces, many tanks, many multiple rocket launchers, and a lot of other war materiel. Tonle Sar is a strong base of the Samraong provincial seat in Oddar Meanchey. The enemy figures that if the resistance forces take Tonle Sar, the Samraong provincial seat cannot be defended.

2. The national resistance forces have surrendered and attacked this Tonle Sar position for many days. On 17 December at 1300, the national resistance forces launched an offensive and completely liberated Tonle Sar.

Here are the preliminary results: two 122-mm and B-40 artillery pieces, a 76-mm artillery piece, and a battery of multiple rocket launchers were seized; two T-54 tanks were destroyed; and a large quantity of other materiel was also seized.

Seventeen Vietnamese enemy soldiers were killed and 22 others wounded; 150 Cambodian soldiers forced to fight and die on the Vietnamese behalf were routed; and 37 of them joined the resistance forces. [passage omitted]

Between February and August 1990, our national resistance forces completely cut off Route 68 from Kompong Thkov to Samraong provincial seat. In September, the Vietnamese enemy dispatched reinforcement troops to Phnom Kraom via the Tonle Sap to assist their troops along Route 68. They managed to reopen Route 68 for a while. However, our national resistance forces kept attacking the enemy. In early December, our forces again completely cut off this road, thus isolating the Samraong provincial seat from other places.

It is this situation which enables our national resistance forces to attack and liberate the Tonle Sar position of the Vietnamese enemy and puppets on 17 December.

More on Coming Supreme National Council Meeting

AU1812153890 Paris AFP in English 1521 GMT 18 Dec 90

[Text] Paris, Dec 18 (AFP) — Cambodia's troubled interim authority, the Supreme National Council (SNC), will meet in Paris on Friday [21 December] and Saturday, a French Foreign Ministry spokesman confirmed here Tuesday.

The meeting will be opened by the two co-chairman of the Paris International Conference on Cambodia (PICC), French Foreign Minister Roland Dumas and his Indonesian counterpart, Ali Alatas.

United Nations Special Representative for Cambodia Rafidin Ahmed will also attend, the spokesman said.

He said the meeting, which he called a "coordinating meeting", would officially submit to the 12 SNC members — six for the Vietnam-backed Phnom Penh regime and six for Cambodia's tripartite opposition coalition — a proposed U.N. peace plan for their country.

The draft was worked out in Paris on November 26 by the five permanent members of the U.N. Security Council — France, Britain, the United States, China and the Soviet Union. It delegates broad powers to the United Nations until elections are held.

The ministry statement confirmed reports from reliable sources yesterday that the original meeting dates of Thursday and Friday had been adjusted by one day.

Those sources said the change was made because Cambodian Prime Minister Hun Sen and his delegation were delayed by transport problems.

The 12-member SNC was set up to represent Cambodia until elections could be held. It has been deadlocked over the question of leadership and has met only once, in September in Thailand, just a few days after it was formed in Indonesia.

Phnom Penh Foreign Minister Hor Nam Hong, who is a member of the SNC, is already in Paris for personal reasons and has extended his stay to be here for the SNC meeting, but the sources said it would be impossible to hold the meeting without Mr. Hun Sen.

Sihanouk Greets Romanian Leader on National Day

BK1912043490 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 17 Dec 90

[Greetings message from Cambodian President Samdech Norodom Sihanouk to Romania President Ion Iliescu—dated 30 November]

[Text] Your Excellency: On the occasion of the Romanian national day, on behalf of the Cambodian people, the Cambodian national Government, and the national resistance forces, and in my own name, I am honored to express to you warmest congratulations and best wishes for your own happiness, the glory of the valiant Romanian people, and the complete success of Romania in its national construction.

I would also like to take this happy occasion to express profound thanks to the Romanian Government and people for their noble support to the Cambodian people in their just struggle for a free, independent, neutral, nonaligned, and peaceful Cambodia with its territorial integrity.

Please accept my high consideration.

[Dated] Paris, 30 November 1990

[Signed] Norodom Sihanouk, Cambodian president

Indonesia

Alatas Leaves For Paris Cambodian Meeting

BK1812151190 Jakarta Domestic Service in Indonesian 1500 GMT 18 Dec 90

[Text] Foreign Minister Ali Alatas left Jakarta for Paris this evening to attend the Paris International Conference on Cambodia. A press release issued by the Foreign Affairs Department's Public Relations Division said the minister is scheduled to hold talks with French officials on the follow-up of peace efforts in Cambodia.

As co-chairmen of the Paris Conference, Indonesia and France have invited the Phnom Penh government and Cambodian factions to attend the meeting. Invitation letters were also sent to the 12 members of the Cambodian Supreme National Council, who play key role in the peace efforts initiated by the five permanent members of the UN Security Council, namely the United States, Britain, France, the Soviet Union, and the PRC.

Minister Proposes New Electoral System in 1997

BK1812082590 Hong Kong AFP in English 0803 GMT 18 Dec 90

[Text] Jakarta, Dec 18 (AFP)—A senior Cabinet minister has proposed replacing proportional representation with a constituency system in the 1997 general elections so as to allow greater regional autonomy, the BERITA BUANA daily said Tuesday.

The daily quoted Population and Environment Affairs Minister Emil Salim as telling an army seminar Monday that Indonesia should be ready by 1997 to adopt the system whereby voters elect their district's representative to the national parliament, instead of voting for the parties they represent.

Mr. Salim noted that the army had suggested the idea in 1966 but it was shelved because the political parties were deemed to be too weak. Under the current system of proportional representation, to be used in the 1992 polls, the 400 contested parliamentary seats are divided according to the share of the votes won by each of the three recognised parties.

In the 1987 polls, the military-backed Golkar won 299 seats, the Moslem-based United Development Party took 61 and the Christian-Nationalist Democratic Party of Indonesia ended up with 40. The military automatically have 100 seats in the 500-member house.

Mr. Salim said the proposed change was part of move to decentralise the political system, including the government administration, and give more autonomy to the regions.

The army seminar 1990 in the west Java town of Bandung is part of a series of such gatherings by the influential Indonesian military to discuss and make recommendations on political and economic issues.

The gathering, due to end later Tuesday, was expected to endorse an army document proposing more serious efforts to develop Indonesia's vast human resources and greater political openness, sources said.

Laos

Daily on 'Glorious Success' of Li Peng's Visit

BK1912045590 Vientiane Domestic Service in Lao 0000 GMT 19 Dec 90

[19 December PASASON article: "Development in Lao-Chinese Friendship Cooperation"]

[Text] Throughout the three-day visit to the Lao People's Democratic Republic [LPDR], Comrade Li Peng, his wife, and delegation were given a warm welcome by Comrade Kaysone Phomvihane, Lao leaders, Vientiane residents, as well as Lao people throughout the country. Noteworthy is the high-level PRC Government delegation's fruitful talks with a LPDR Government delegation. Following the talks, a Lao-Chinese agreement on economic and technical cooperation was signed. In the agreement, the Chinese side will grant long-term, interest-free loans totaling 50 million yuan or some \$10 million to Laos for the improvement and construction of economic establishments in various branches. In addition, the Chinese side has given Laos a gratuitous aid for the construction of a television station which receives signals via satellite. The project will begin in 1991.

The high-level PRC Government delegation was also warmly welcomed in an atmosphere of profound friendship and cordiality by other Lao leaders. As for Li Peng's wife and her party, they visited various places and production establishments in Vientiane Prefecture. Everywhere they visited, they were accorded with a warm and friendly welcome.

All these have proven the mutual understanding and sincerity of both sides. They have also brought about a flourishing tree of friendship and all-round cooperation, beautifully branching out and bearing fruit to decorate the park of time-honored friendship and solidarity between the peoples of our two countries.

The multiethnic Lao people would like to wholeheartedly hail the glorious success of the high-level PRC Government delegation in their visit to Laos on this occasion. They are convinced that the glorious fruits of the visit will serve as new strength to enable national defense and the building and development of the economy in our country to be carried out vigorously.

Acting President Receives Outgoing Soviet Envoy

*BK1912110190 Vientiane Domestic Service in Lao
0000 GMT 19 Dec 90*

[Text] Yesterday afternoon, acting President Phoumi Vongvichit received a farewell visit from Yuriy Mikheyev, outgoing ambassador extraordinary and plenipotentiary of the Soviet Union to Laos, who has just completed his four-year tenure of diplomatic service in Laos.

In the talk between the host and the guest at the Presidential Office, the acting president, on behalf of the Lao Government and people, expressed thanks to the ambassador, as well as to the Soviet Union, for having rendered cooperation and assistance in the past and present to the Lao People's Democratic Republic. Phoumi Vongvichit highly appreciated the ambassador's performance of diplomatic tasks which, he said, have contributed to increasingly strengthening and promoting relations and cooperation between Laos and the Soviet Union.

Yuriy Mikheyev expressed thanks to the party and government as well as the people of Laos for the facilities provided for him to successfully fulfill his work during the last four years. He also expressed hope that relations of friendship and cooperation between the parties, governments, and peoples of the two countries will be consistently promoted and expanded.

Party Greet French Communist Party Congress

*BK1912105890 Vientiane KPL in English 0950 GMT
19 Dec 90*

[Text] Vientiane, Dec 19 (KPL)—The Lao People's Revolutionary Party Central Committee sent on December 18, a message of greetings to the 27th Congress of the Communist Party of France. The message expressed warm congratulations and solidarity to the participants of the congress and, through them, to all communists and working people of France.

It emphasized the significance of the congress saying that the congress is being held at the time when the international situation has undergone complex changes, in particular in Europe.

"We highly value the important movement engaged by the Communist Party of France for peace, sovereignty, justice, and social progress aiming at meeting the interests of the working people of France, and for peace in Europe and in the world, the message wrote.

"The 27th Congress of the Communist Party of France is being held in conjunction with the celebration of the 70th founding anniversary of the Communist Party of France. During the past 70 years, the communists of France have accumulated precious experience in the struggle for the fulfilment of the high ideal of the party," the message added.

It concluded by saying that the Lao People's Revolutionary Party would do its best to promote the good tradition of friendship and solidarity between the two parties for the interest of the Lao and French people, for peace and social progress in the world. It also wished the 27th Congress of the Communist Party of France brilliant success.

New Envoy Presents Credentials to Malaysian King

*BK1912103090 Vientiane KPL in English 0931 GMT
19 Dec 90*

[Text] Vientiane, Dec 19 (KPL)—Mr. Bounkeut Sangsomsak presented in Kuala Lumpur, Malaysia, on December 14 his letter of credentials as ambassador extraordinary and plenipotentiary of the Lao People's Democratic Republic to Malaysia to His Majesty the Yang Di-Pertuan Agong Sultan Azlan Shah. The Lao ambassador has his residence in Bangkok, Thailand.

His Majesty the Yang Di-Pertuan Agong Sultan Azlan Shah and the Lao ambassador discussed the development of the friendly ties between Malaysia and Laos. The regional and world situation was also raised.

On December 13, Mr. Bounkeut Sangsomsak paid a courtesy call on Mr. Dato Abu Hassan bin Haji Omar, Malaysian foreign minister. During the meeting proceeding in a good and constructive atmosphere, the Malaysian foreign minister and the Lao ambassador exchanged views on the development and consolidation of bilateral cooperation in economy and trade, and on international issues.

On this occasion, Mr. Dato Abu Hassan bin Haji Omar conveyed through the Lao ambassador an invitation to Mr. Phoun Sipaseut, Lao foreign minister, to visit Malaysia.

Front Chairman Receives Greetings From Cambodia

BK1912061390 Vientiane Domestic Service in Lao
0000 GMT 14 Dec 90

[Message of greetings from Chea Sim, chairman of the National Council of the Kampuchean United Front for National Construction and Defense, to Phoumi Vongvichit, chairman of the Lao Front for National Construction Central Committee, on Laos' national day—date not given]

[Text] On the 15th anniversary of the Lao People's Democratic Republic [LPDR], on behalf of the National Council of the Kampuchean United Front for National Construction and Defense [KUFNCD] and in my own name, we would like to express joy and convey warm and friendly greetings to the fraternal Lao Front for National Construction [LFNC]

Over the last 15 years, under the leadership of the Lao People's Revolutionary Party [LPRP], the LFNC, maintaining close solidarity with the Cambodian people, has fought together with the Cambodian forces and helped the Cambodian people win great victories in reviving their lives and in building and improving the economy and culture. This has contributed significantly to guaranteeing peace, enhancing the strength of the three Indochinese peoples, and serving peace in Southeast Asia and the world. With these great achievements and sacrifice, the roles and prestige of the LPDR has been raised daily to an ever higher level in the world.

Our Cambodian people are elated at those achievements and victories of the fraternal Lao people, and regard them as our own. The Lao people have also recorded new, still greater achievements in implementing the resolutions of the fourth congress of the LPRP in defending, building, and prospering the country. We highly appreciate the sincere and effective support rendered by the party, the government, the LFNC, and the fraternal people of Laos to the State of Cambodia in the pursuance of the national reconciliation policy in the international arena, and to the Cambodian people in

their struggle against the return of the genocidal Pol Pot regime for the building of an independent, peaceful, neutral, and nonaligned State of Cambodia.

We are firmly convinced that the traditional Cambodian-Lao relations of friendship and solidarity will be further consolidated and enhanced to serve the lofty interests of the parties, governments, and peoples of our two countries in the common cause of peace and stability in Indochina in the interest of peace and happiness of the societies in Southeast Asia and the world.

We wish you, comrade members of the LFNC Central Committee, and all fraternal Lao people good health and new, ever greater achievements in performing all tasks. May the relations of friendship, solidarity, and cooperation between our two parties, fronts, and peoples be further promoted, expanded, and strengthened and last forever!

Maisouk Saisompheng Speaks on Kaysone Birthday

BK1912092390 Vientiane Domestic Service in Lao
1200 GMT 13 Dec 90

[Speech by Maisouk Saisompheng, minister and head of the office of the party Central Committee and of the office of the Council of Ministers, made at a well-wishing ceremony held in Vientiane on 13 December for Kaysone Phomvihan, general secretary of the party Central Committee and chairman of the Council of Ministers, on occasion of the latter's 70th birthday—recorded]

[Text] Today, the entire party, Army, and people of all ethnic tribes throughout the country on the occasion of your 70th birthday are joyously wishing you, Comrade, happiness with a sense of profound gratitude and great pride in you as our beloved and respected leader.

On the occasion of your 70th birthday today, we would like to express our profound gratitude to and great pride in you, Comrade. We pledge to continue learning from your model behavior in remaining forever faithful to the country, the party's revolutionary idealism, and the people's interests. We pledge to rectify all our weaknesses and shortcomings and to overcome all obstacles and difficulties under all circumstances to march forward to fulfill the tasks entrusted by the party, state, and people, especially the party's restructuring policy, to deserve your trust, Comrade, as a gesture of our gratitude to you for your contributions to the country and people.

With high respect, we would like to wish you, Comrade, good health and long life so that you will be able to triumphantly guide our revolutionary cause in the new period.

Kaysone Phomvihan Receives Well-Wishers 13 Dec*BK1912113790 Vientiane Domestic Service in Lao
0000 GMT 14 Dec 90*

[Excerpts] Representatives of state agencies, mass organizations, and residents of Vientiane yesterday morning called on Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee and chairman of the Council of Ministers, to greet him on the occasion of his 70th birthday anniversary. In the afternoon, foreign diplomats also called on him to wish him a happy birthday.

The Lao Front for National Construction chapter of Vientiane in collaboration with ministries, state agencies, residents of Vientiane organized the baisi wishing ceremony for Kaysone Phomvihan. [passage omitted]

Expressing his gratitude for the birthday greetings and best wishes extended to him, General Secretary Kaysone Phomvihan said:

[Begin recording] "Although I am now 70 years old, I will continue to forge ahead to fulfill my heavy responsibilities and duties. An old Lao proverb says: Do your utmost to achieve the final goal. I will follow this proverb and try to materialize the best wishes you have extended to me. Some people wish me good health while others wish me intelligence. Another proverb says: One bamboo cannot make a fence. No matter how hard I try, I alone cannot fulfill my duties and responsibilities. Every organization and every sector, both in towns and rural areas, and all people, both male and female, must join hands to work for the progress of our country. The Lao people must work for their own prosperity and progress themselves. They cannot expect other people to do it for them. We must acquire more and more knowledge so that we will be able to develop and work for prosperity of our nation and well-being of our people in both towns and rural areas. Apart from that, our country must also be strong. The people's well-being and the country's strength must go together. These two things are just like our left and right hands. I want to put it this way. The duties of both leaders and the people of all strata and in all circles are equally heavy. The country belongs to all the people.

President Ho Chi Minh once said: Solidarity, solidarity, and great solidarity; victory, victory, and great victory. I quoted President Ho Chi Minh's words for everyone to consider. I wish you all good health and intelligence so that you will be able to continue to earn your living and make full use of our creativity. May textile workers be able to ceaselessly increase their production and weavers produce more beautiful sarongs. Many people who come to wish me a happy birthday today are teachers. As I said in my speech on 2 December, teachers also shoulder a heavy burden. Without education, our country can never be developed. Therefore, education must be extended to reach the people in all villages. Medical cadres are no less important either. They must strive to achieve good health for the entire Lao people. In other words, no one should be ill. Well-wishers wish me recovery from

ailments. I also wish everyone recovery from ailments. After recovery from an ailment, we must practice hygiene and the principle of three-cleanlinesses and rightly administer medicines to ensure full recovery.

Finally, I thank everyone. Since the lines of the party and state are already clear, the only problem is how to make everyone appreciate and jointly implement them. I am 100 percent confident that we can do it. My first attempt to mobilize the people to rise up against the French was belittled. The people were afraid, but I was not because we knew how to fight for victory. I even betted with many people that we would win the victory. As you see, our country has been liberated for 15 years now. However, our achievements during the past 15 years are rudimentary. I believe that if our entire people are truly united we will be able to accomplish more and more achievements to mark the 20th and 25th anniversaries of our national liberation. Nobody will be able to look down on us. The sole objective of the party leadership and state administration is to serve the people forever. Thank you. I wish you good health. Thank you. [applause] [end recording]

Vientiane Figure on Successes of Last 15 Years*BK1912101590 Vientiane Domestic Service in Lao
1200 GMT 12 Dec 90*

[Summary] On the occasion of the celebration of the 15th anniversary of the 2 December National Day held by Vientiane Province on 8 December, Siphon Phalikhan, member of the party Central Committee, secretary of the party committee and chairman of the administrative committee of the province, presented a report on the achievements by the province in the last 15 years.

Touching on the growth and strength of the Armed Forces and public security forces in the province, Siphon Phalikhan said that in the last 15 years, they launched 714 suppressive drives against enemy forces, killing 157 of them on the spot and wounding 731 others, seizing and destroying a large quantity of war materials of the enemy, disbanding 344 enemy underground elements, and encouraging 34,732 misled persons to come back to join our administration.

In the economic field, though suffering heavy damage caused by natural calamities for several successive years, the province managed to basically ensure self-sufficiency in the production of food and grains by 1988.

In the industrial sector, many timber and agricultural processing plants have been set up in the province, including 11 saw mills, five tobacco leaf curing plants, one sugar refinery, one rattan treatment factory, and one cement factory.

In the communications, transport, and postal sector, a total of 249 kilometers of new roads have been constructed and 390 km of old roads repaired.

The chairman of the provincial administrative committee noted that the Lao Front for National Construction and mass organizations at various levels in the province have also consolidated their strength and mastery in order to mobilize the people of all strata to carry out socioeconomic development plans and national defense and public security maintenance work outlined by the party and state.

Phoun Sipaseut Addresses Tropical Forest Meeting

*BK1412131290 Vientiane KPL in English 0924 GMT
14 Dec 90*

[Text] Vientiane, Dec 14 (KPL)—The Ministry of Agriculture and Forestry, in collaboration with the Ministry for Foreign Affairs, held here yesterday a consultation on tropical forest area project [TFAP] in Laos.

In addition to representatives from Lao ministries and organisations, the consultation brought together delegates from Sweden, Japan, France, Australia, the United States of America, the USSR, Germany, the Asian Development Bank (ADB), the World Bank, the Mekong Committee, the Food and Agriculture Organisation [FAO], the UNDP [United Nations Development Program], the European Community and the Narcotics Control Organisation.

Delivering the opening speech, Mr Phoun Sipaseut, vice chairman of the Lao Council of Ministers and minister of foreign affairs, expressed thanks to the UNDP, the FAO, the SIDA [Swedish International Development Authority], the ADB, and the World Bank for their assistance to Laos so far, and to the Lao and foreign experts for their participation in establishing the TFAP in Laos.

The CM [Council of Ministers] vice chairman noted that the tropical forest and environment degradation throughout the world for the time being posed a threat and harm to life. For instance in Laos, forest land shrinks alarmingly due to the war and the continued forest destruction in various forms. The practice of slash-and-burn cultivation on 300,000 hectares annually by 253,000 families brings about forest fires on vast areas, drought, torrential floods, rivers and streams drying up soil erosion growing up, thus worsening the natural environment and directly threatening agriculture, hydro electric power generation, navigation, consumption water in some localities.

Mr Phoun Sipaseut also spoke of the Lao Government's continuous and utmost efforts to replace the poppy plantation by mountainous people in remote areas with fixed farming and substitute crops programme. These projects still at the first stage have so far received limited assistance from some anti-narcotic organisations and few countries, he said.

He expressed the Lao Government's opinion regarding the TFAP measure to solve the global environment.

TFAP is beneficial not only to Laos but also to the countries in the lower basin of Mekong and the world.

The Lao CM vice chairman voiced hope for more assistance to the Lao PDR [People's Democratic Republic] so that the government and the people of Laos would be in a better position to solve this forestry and environmental problem.

The participants, during the consultation, will hear views from the donors, the policy on foreign cooperation and investment in Laos, the guidelines and policy on the future socio-economic development in Laos, the future forestry and environmental priorities and others.

The meeting will wind up here today.

Meeting Ends

*BK1512115790 Vientiane KPL in English 0852 GMT
15 Dec 90*

[Text] Vientiane, Dec 15 (KPL)—The 2-day consultation meeting on Tropical Forest Action Plan (TFAP) wound up here yesterday evening.

The meeting chaired by Mr. Kham-ouan Boupha, deputy minister of agriculture and forestry, was attended by 79 persons including 7 foreign donors—SIDA [Swedish International Development Authority], European Community, FAO [UN Food and Agriculture Organization], Mekong Committee, World Bank, UNDP [UN Development Program], UNFDAC [expansion unknown]—and delegates from 8 countries (Australia, France, Germany, Japan, Malaysia, Sweden, USA and USSR). Also attending the meeting were officials from all the ministries, mass organisations, and some provinces.

Before the closing ceremony, the meeting adopted a resolution the essential points of which are the following:

- To achieve forestry conservation programme in the country, there is a need for coordination and cooperation between different development sectors. Also viewed as essential is cooperation with neighbouring countries. Support from donors is another important prerequisite.
- The participants believed that the consultation meeting served as a useful instrument to stimulate the overall work, consequently follow-up meetings should be held with wider participation including NGOS (non-governmental organisations).
- The government especially requests support for the development of alternatives to shifting cultivation, including for opium cultivation and watershed area protection. The request was supported by the donors.
- All parties agreed on better international coordination and support for the Lao Government to enable it to bring about solution to the problems related to the TFAP program.

In his closing speech, Mr. Phoum Sipaseut, vice chairman of the Council of Ministers, and minister of foreign affairs, who also officially opened the consultation meeting, stressed the usefulness of the consultation meeting.

He said the forum, conducted in an atmosphere of concern about the destruction of tropical forest and adverse changes to the environment for Laos and other countries in the lower basin of the Mekong. [as received]

To tackle the problem, Mr. Phoun Sipraseut said, the government's policy will involve direct participation of both state and private sectors. Incentives for the private sector will include allocation of deforested land, giving low-interest credits to individuals who might be interested.

Touching on the question of shifting slash-and-burn cultivation, practiced mainly but not exclusively by ethnic minorities in remote, inaccessible areas, he said, the present socioeconomic situation is such that they have no better alternative. For them, it is a question of survival.

Realising this fact, the government which, in some instances, has received financial and material support from a number of foreign donors, is putting concerted effort in the work. It is hoped that eventually, the slash-and-burn method of cultivation, which in some cases related to the cultivation of opium, will be stopped. In this regard, he made an appeal to present and potential donors to further help Laos which directly and indirectly will help protect the forest and environment in the region.

KPL Updates Extent of Foreign Investment

*BK1512120590 Vientiane KPL in English 0920 GMT
15 Dec 90*

[Text] Vientiane, Dec 15 (KPL)—Since the introduction of foreign investment in Laos in 1988 up to November 1990, the government has authorised the establishment of 104 projects with a total capital of US dollars 233,558,270. Out of this, US dollars 7,243,667 are the contribution of Laos, and US dollars 226,314,609 are from foreign investors. Of these projects, eight projects have been cancelled.

This was reported by Prof Bounthiam Phitsamai, deputy minister of external economic relations, to the participants to the consultation on Tropical Forest Action Plan (TFAP) in connection with the summary of foreign investments in Laos since the end of 1988 to November 1990.

The authorized projects subdivided into business sectors are as follows: 12 projects in garments for export, 6 in agriculture, 24 in export-import business, 9 in hotels-tourism, 8 in timber and rattan processing, 1 in banking,

10 in consultancy, 4 in construction, maintenance and transport, 14 in industry and handicraft, 1 in airline, 7 mining and oil prospecting.

The investment projects include 40 Thai, 3 Vietnamese, 1 Chinese (Yunnan), 9 American, 4 Soviet, 11 French, 4 Canadian, 5 Australian, 1 Singaporean, 4 Taiwanese, 2 Japanese, 2 Swedish, 1 Danish, 8 Chinese, 3 Hong Kong, 4 British, 1 Portuguese, 1 (Macao) Chinese.

These projects are conducted in different forms: 8 contractual businesses, 52 joint ventures, 36 unilateral investments.

The deputy minister further said that the promotion of foreign investment is mainly to draw funds for socioeconomic development, provide employment to people, and bring new technique and technologies to the country. The policy also takes into account investors' interest by facilitating their beneficial business operation.

He also pointed to the factors in favour of foreign investment in Laos such as abundant natural resources which are not explored and extracted, cheap labor force, low price of electric power and land. In addition, Laos is also a junction to get through larger markets in neighbouring countries: Vietnam, China, Myanmar [Burma], Thailand, Cambodia with which Laos has maintained good neighbourly relations.

The deputy minister of external economic relations of Laos also further hoped that with all these factors Laos would have a chance to welcome foreign investments in the future.

Philippines

Aquino Rejects Restoring Oil Subsidy

*HK1912040290 Manila THE MANILA CHRONICLE
in English 19 Dec 90 pp 1, 7*

[By staff members Lito Zulueta and Johanna Son]

[Text] A major disagreement between Malacanang and the Senate over the issue of oil subsidy appears to mark the five-day special session called by President Aquino to press a package of urgent money-raising bills.

This developed when the President rejected yesterday a Senate move to restore the P [Philippine peso] 5.1-billion annual subsidy to the Oil Price Stabilization Fund [OPSF], saying that the budget deficit would worsen if the government continued to subsidize oil prices.

On the other hand, the Senate, after a marathon hearing, concluded that it would be cheaper—both financially and politically—for the government to continue subsidizing oil prices.

If Malacanang's position prevails, it could mean that oil prices may continue to go up. But if the Senate and some

government officials who testified at the six-hour Senate hearings have their way, the public may be spared higher oil prices.

In a statement, Mrs. Aquino said the government's priority should be to find the means to reduce the consolidated public-sector deficit.

She explained that the proposed fiscal-reform package—a combination of expenditure cuts and measures to expand the revenue bases—is under study by Congress in the current special session.

Mrs. Aquino's statement indicated that the government is bent on implementing its avowed, but long-delayed, policy of deregulating oil prices, wherein the first step is the abolition of the OPSF.

The government originally intended to fully implement deregulation beginning next year. Last July, the government stopped the oil companies—Shell, Caltex and Petron—from charing forward cover to the OPSF, as a prelude to abolishing the subsidy fund. But the government was forced to restore it due to the energy crisis spawned by the Gulf conflict.

Oil companies charge to the OPSF the difference between the locally controlled petroleum prices and the drop in the value of the dollar vis-a-vis the peso along with the increase of crude prices in the world market.

The Senate, after hearing the testimonies of the secretaries of defense, labor, social welfare, agriculture and trade departments on the adverse effects of the oil prices, wants the government to continue subsidizing oil prices.

"It is cheaper, both politically and economically, for the Aquino government to continue subsidizing oil prices, because the recent increases would lead to a slowdown in operations by both the government and private sector," said Sen. Ernesto Maceda.

Maceda heads both the Senate finance and defense committees that heard the testimonies of acting armed forces chief of staff Maj. Gen. Rodolfo Biazon, Labor Secretary Ruben Torres and Agriculture Secretary Senen Bacani.

Maceda—who delivered a privileges speech reporting on the hearings—concluded that the disruptive effects of the oil price increases were much heavier than the financial burden of subsidizing oil prices to P90 million a day.

One of the biggest casualties of the fuel price increase is the armed forces, whose mobility may be reduced by 60% unless Congress grants it a p2.25-billion fuel budget next year.

On labor, the effects of the oil price increases would be a 13.1% unemployment rate for 1991, or two percentage points over the current 11% rate.

This figure translates into 3.4 million unemployed, up from this year's 2.7 million, Labor Secretary Torres told the Maceda committees.

Earlier, businessmen testified that industry may cut down production by 40% because of the fuel price increases and the shortage of foreign exchange.

Roger San Luis, vice president of the Garments Business Association of the Philippines, predicted that the garments industry, which employs 250,000 workers, expects to reduce production by 40% to 50%.

Senate Wants Oil Subsidy Restored

HK1812030990 Manila THE MANILA CHRONICLE
in English 18 Dec 90 pp 1, 6

[By Johanna Son]

[Text] The Senate, in an apparent defiance of the International Monetary Fund stricture against subsidies, is moving toward restoring the P [Philippine Peso] 5.1-billion annual subsidy to the Oil Price Stabilization Fund [OPSF] in an effort to stave off another round of increases in oil prices.

Finance committee chairman Neptali Gonzales said the chamber would ask the Energy Regulatory Board (ERB) to determine the status of the OPSF and whether "we need new appropriations."

The OPSF reimburses additional costs incurred by the oil companies due to the drop in the value of the peso vis-a-vis the dollar and the increase in the price of crude on the world markets.

Gonzales said his committee wanted to know the effects of the scrapping of the subsidy by the House of Representatives from the 1991 budget on future oil prices.

A key question, he said, would be whether the OPSF deficit—after the huge increases in pump prices—would be manageable and could, therefore, wait for future payments.

The subsidy was one of the measures Congress had promised Malacanang in the budget summit at the Palace last October, according to Gonzales.

Senators John Osmena and Edgardo Angara supported Gonzales' suggestion, saying the public could not take another round of increases in petroleum products.

But Sen. Vicente Paterno, chairman of the economic affairs committee, said the subsidy may not be needed because the OPSF may get enough contributions from the recent oil price rise.

Of the average P2.05 increase per liter, P1.08 was going to the OPSF and was meant to help wipe out the deficit which had reached about P5 billion.

Osmena, chairman of the committee on public services, proposed that Congress use an "unspent" P8 billion in agrarian-reform funds to cover the OPSF deficit. He proposed that Congress pass a P9-billion subsidy for the OPSF in order to reduce to P12 per liter the price for premium gasoline.

"What are our priorities? Gasoline or Carp?" he asked, referring to the Comprehensive Agrarian Reform Program described as the centerpiece in the Aquino government's program for social justice.

In a briefing last week, the ERB's projections of the OPSF had assumed that Congress would appropriate the P5.1 billion. It had estimated that even with the P5.1-billion subsidy, the OPSF would still have a deficit of P6 billion.

That figure is to increase further because of the partial rollback of petroleum prices which adds to the OPSF deficit of P24.7 million a day.

Early this year, Congress passed a bill setting aside P5 billion for the OPSF.

Paterno said the absence of a subsidy in the 1991 budget would mean that the OPSF deficit would have to be funded through increases in pump prices. But he added that the problem may be eased if crude prices fall by April 1991, as projected by the ERB.

Also with the new oil discovery in Palawan, which may yield 25,000 barrels of oil per day, Paterno said: "It seems that we are turning the corner of bad news."

Oil Price Hike Affecting Military Capability

*HK1812131190 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 18 Dec 90*

[By Cesar Chavez]

[Text] Acting Chief of Staff Major General Rodolfo Biazon announced that the operational capability of the Armed Forces has decreased since the increase in oil prices. Biazon issued the statement during a marathon hearing by the Senate Defense Committee. According to Biazon, he sought a 2-billion-peso oil supply budget for the military's air, sea, and land vehicles, but the House of Representatives only granted 1 billion pesos. Because of this, Biazon said the strength of the AFP [Armed Forces of the Philippines] will decrease in 1991. In the Philippine Army, of its 3,000 vehicles, only 1,000 may be put into operation. In the Philippine Constabulary, the previous 18-liter allocation per vehicle per day would be reduced to seven liters. In the Philippine Air Force, the air defense facilities in Northern Luzon will be reduced but will maintain operation of its 700 vehicles. In the Philippine Navy, the allocation would now be 13 liters per vehicle per day instead of 22 liters. [passage indistinct]

Aquino Accepts Energy Chairman's Resignation

*HK1812135590 Manila Radio Veritas in Tagalog
1300 GMT 18 Dec 90*

[Excerpt] President Corazon Aquino has accepted the resignation of Energy Regulatory Board [ERB] Chairman Marcelo Fernando. Commissioner Rex Tan-chongco is now the temporary ERB head. In his initial resignation letter, Fernando stated that the decision on price hike levels was based on figures submitted to them by Malacanang, stressing former Executive Secretary Catalino Macaraig knew of the developments before the decision. The oil price hike level was changed twice.

Meanwhile, the president rejected the 50-peso daily wage hike proposal, stressing that it would increase the inflation rate:

[Begin recording in English—in progress] ...ongoing special session I calculated to achieve this. Subsidies at this point would not be the solution, particularly in the absence of revenues to close the fiscal deficit. [end recording]

The Trade Union Congress of the Philippines [TUCP] clarified that it was not seeking a 50-peso, but a 30-peso daily wage hike. TUCP Secretary General Cedric Bagtas stressed the TUCP will respect whatever the Regional Wage Board provides. He said they only want the workers' grievances to be heard. [passage omitted]

Court Removes Aquino's Choice as Comelec Head

*HK1812140190 Manila Radio Veritas in Tagalog
1300 GMT 18 Dec 90*

[Text] The Supreme Court has removed Haydee Yorac as the acting Comelec [Commission on Elections] commissioner. The court stressed that President Aquino has no authority to appoint Yorac to the position because the Comelec is not within the executive branch's jurisdiction. Only its commissioners have the sole power to choose its head. It is recalled that Hilario Davide became the December 1989 coup fact-finding body chairman. It is reported that President Aquino will recall Davide to his former position.

Further on CARMA Rally; Resignation Urged

*HK1812134590 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 18 Dec 90*

[Excerpts] A rally by CARMA [Cory Aquino Resign Immediately Movement] is presently being held in the Ogarte Field at the center of the Makati commercial center, Metro Manila. Andy Vital and Vic Pambuan report that most of the rally participants are ordinary housewives who are experiencing difficulties in maintaining their families due to the continuous increase in prices of prime commodities as a result of the oil price hike. According to the housewives, President Aquino should resign because she failed to correct the country's

economy. The rally is being led by former Senator Eva Estrada Kalaw and former Assemblyman Honobono Adaza. [passage omitted]

Meanwhile here is an interview with former Assemblyman Adaza by Vic Pambuan:

[Begin recording] [Pambuan] What is your next program after the march.

[Adaza] Speeches will be delivered at Ogarte, but we still have to see what happens. The Ayalas may close the Ogarte because they don't want to hear the nation's cry for Cory to resign. Jaime Ayala is one of Cory's puppets. They should open Ogarte to the public because anyone should be allowed to voice their grievances and let the president know about it. But Jaime Ayala allegedly closed Ogarte. Well, they just have to see what comes next.

[Pambuan] It is said that this rally has no permit.

[Adaza] Many will come after this. A permit is not needed under the Constitution.

[Pambuan] What is your next program after this.

[Adaza] There will be none today. But in the coming weeks, many marches and rallies will be launched if Mrs. Aquino does not resign. Previously, a million signatures convinced her to run for the presidency. Now, she does not want to step down despite the wish by all Filipinos for her to resign. What kind of president is she?

[Pambuan] Mr. Adaza, somebody is asking, if this rally is to demand that Aquino resign, do you have a replacement in mind?

[Adaza] We have to abide by the Constitution. Mrs. Aquino said we should abide by the Constitution. If she resigns, she has a vice president whom she chose when she ran. He will be the next president of the Philippines.

[Pambuan] If Aquino leaves now, who will manage the country?

[Adaza] Laurel should take over immediately because that is what the Constitution dictates.

[Pambuan] So, Laurel is your candidate for the position.

[Adaza] No. It is not that way. We are only following what the Constitution states. Whoever the vice president is, the Constitution says he will become the next president of the Philippines. [end recording] [passage omitted]

Government Welcomes Declared Holiday Cease-Fire

HK1912035090 Manila MANILA BULLETIN
in English 19 Dec 90 p 21

[Text] The government has welcomed the unilateral declaration of a ceasefire by the Communist Party of the Philippines-New People's Army-National Democratic Front (CPP-NPA-NDF) this holiday season.

Justice Secretary Franklin Drilon, chairman of the Cabinet Cluster E on security and political matters, said in an interview in Malacanang, "We are very pleased with the reaction of the Left, at least to provide us with a respite during the holidays. The reaction to our unilateral declaration is welcome."

President Aquino declined to comment on reports that the Cluster E has suspended its discussions on a possible legalization of the CPP, saying that she was not informed of any plans to legalize the party.

"I have not received any report of Cluster E on this matter. Cluster E takes up a wide range of proposals and contingencies," she said.

The government issued last Dec. 5 a unilateral declaration that the military would suspend offensive operations on Christmas and New Year.

The cessation of military operations will cover two periods of 72 hours each—from 1 p.m. of Dec. 26 for Christmas, and from 1 p.m. of Dec. 30 to 11 p.m. of Jan. 2 for the new Year.

President Aquino and the Cabinet said the suspension of military offensives will cover all rebel forces—the CPP-NPA-NDF, the Rebolusyonaryong Alyansang makabayan-Kawal ng Sambayanang Pilipino [Revolutionary Nationalist Alliance-Soldiers of the Filipino People]-Young Officers' Union (RAM-KSP-YOU), and the secessionist Moro National Liberation Front (MNLF).

They declared a holiday truce on the suggestion of the House of Representatives but noted that activities of the military that are necessary to maintain peace and order will continue.

Rebels Must Lay Down Arms Before Cease-Fire

HK1812132790 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 18 Dec 90

[Text] The communist rebels must first surrender their arms to the military before the proposed Christmas and New Year cease-fire is enforced. This was stated by Rodolfo Biazon, Armed Forces of the Philippines vice chief of staff, in yesterday's dialogue. Here are the details from Josette Olivera:

[Begin recording] In the dialogue, Biazon questioned Senator Tanada because of the widespread perception within the military establishment that he is siding with the rightists group. Tanada, however, said he is neutral on the issue. Although Biazon did not directly state what his reaction was, he hinted that he is not content with Tanada's reply. Biazon, one of the contenders for the top military post which will be vacated by the retirement of Armed Forces chief General Renato de Villa, said the military leadership is willing to talk but will not agree to a cease-fire if their proposal for the laying down of arms is not respected. [end recording]

Military Wants Peace Talks No Later Than June*HK1812031590 Manila PHILIPPINES NEWSDAY
in English 18 Dec 90 pp 1, 2*

[By reporter Jose H. Macaspac III and Dario B. Agnote]

[Excerpts] Top military officials are willing to hold direct peace talks with rebels provided these are completed within six months or not later than June 12 next year, according to Senator Wigberto Tanada who met with them on the issue.

As this developed, 17 persons, including two civilian caretakers of a Cebu mayor's resthouse and four militiamen, were slain in separate insurgency-related incidents over the weekend in Ilocos Norte, Agusan del Sur, Camarines Sur, Capiz and Cebu.

Tanada, who together with 17 other senators asked President Aquino to initiate a nationwide ceasefire and seek a more permanent solution to the insurgency and coup problems of the Aquino administration, said he was assured by the top military and defense officials that they had not shut the door on his proposal for the warring factions to hold peace talks.

Tanada disclosed that it was Maj. Gen. Marino Filart, Capital Region Command (CAPCOM) chief, who assured him that the military hierarchy was willing to hold talks with the rebels.

Tanada quoted Filart as saying that the military officials want to talk to the rebels on the possibility of a ceasefire and peace.

But this assurance was based on the condition that such peace talks should be finished by June 12, 1991, Tanada said.

The condition was imposed by Armed Forces Chief General Renato de Villa who earlier disclosed that "officers and men in the field were confused" about moves of some national officials working for peace with the rebels.

Tanada did not explain why De Villa had set a six-month deadline on the talks but he said that the military brass' assurance that they have not ruled out peace talks with the rebels was very encouraging.

He said the meeting with select DND [Department of National Defense] and AFP [Armed Forces of the Philippines] officials was the initial step towards other dialogs with officers and men in the provinces.

Tanada is set to continue his rounds of military facilities in the country to explain the peace process.

Tanada summarized the country's problems as "political injustice, economic inequity and social despondence."

He said through peace, government and the people could work out political reconstruction, economic reconciliation and social renewal.

He added that the Christmas ceasefire declaration from the communist rebels should provide a respite for all.

In Agusan del Sur, five communist insurgents were slain in a firefight with Constabulary troops in barangay Lake Talingtingan, Rosario town at about 8 a.m. Saturday.

The report said two militiamen belonging to the Calawat Assistance Center of the army's First Infantry Brigade were killed when they were waylaid by an undetermined number of NPA [New People's Army] rebels at sitio Taiman, barangay Calawat, Pamplona in Camarines Sur also last Saturday.

The report said militiamen Salvador Balagan and Rogelio Santiago were on routine patrol when they were ambushed by NPA rebels. The rebels immediately fled after killing the two militiamen.

In Capiz, two more militiamen were reportedly slain. The report identified the two militiamen as Ludovico Bireno and Efren Felicierta. The two were reportedly attacked while on their way to remote detachment at barangay Pinalatican, Sigma town. The report added that the rebels carted away the militiamen's firearms after the attack. [passage omitted]

Direct Talks Stressed*HK1912041090 Manila PHILIPPINES NEWSDAY
in English 19 Dec 90 p 3*

[By Dario B. Agnote]

[Text] The Armed Forces high command, while signifying its willingness to hold another round of peace talks with communist rebels, yesterday stressed the need to dialog peace directly with communist leaders and not with emissaries.

Major General Rodolfo Biazon, AFP [Armed Forces of the Philippines] vice chief of staff, said the military was "open to the idea" of holding another round of peace talks, but he also expressed reservations about the sincerity of the leadership of the communist guerillas.

Biazon said top military and defense officials met for more than three hours Monday with peace advocates in Camp Aguinaldo to tackle prospects of the planned nationwide truce between government forces and New People's Army (NPA) insurgents.

During the meeting, Biazon said the military top brass told the representatives of the peace advocates—Senator Wigberto Tanada, Ed Garcia and Maris Diokno—that the military would like to "talk directly with the CPP [Communist Party of the Philippines]-NPA leaders."

For their part, the peace advocates also laid down at least five areas which need to be ironed out to facilitate the talks on the peace process. These five areas are the people's participation in the peace process; agreement on human rights and humanitarian laws and the difficulty in enforcing them; political and electoral reforms to

make the 1992 elections "a truly meaningful exercise"; social and economic reforms and mechanism for political settlement.

Biazon said the peace advocates demanded the military's opinion on these matters.

Biazon said the soldiers in the field appeared "confused" in regard to the issue of ceasefire with the NPA insurgents. A representative of the sergeants major of the AFP, Biazon said, voiced this sentiment to Tanada during the more than three-hour meeting at the defense department Monday. "We also expressed our opinion that the peace advocates were appearing to be leaning towards the left," he said.

Also, the military questioned the truce period offered by the communist umbrella organization the National Democratic Front (NDF), during the Yuletide season saying it was a day shorter than the unilateral proposal of the Aquino government. The military declared a 72 hour ceasefire during Christmas Day and a similar period during new Year's Day while the NDF only proposed a 48-hour cessation of hostilities during Christmas Day and 72 hours during New Year's Day.

"So what happens to the rest of the period? We suspect they will resume offensives on the 26th because that is their anniversary," said Biazon.

Also during the meeting, Biazon said, the military suggested that the ceasefire being proposed to the AFP also be directed to the communist insurgents, particularly to the NDF. He stressed that the talks between the AFP and the communist rebels could proceed even without the need to declare a ceasefire, saying "Maski na nagpu-putukan kami, pwede pa rin kaming mag-usan... [Even if we are fighting, we can still hold a dialog] that is, if both sides are really sincere."

Defense Secretary Fidel V. Ramos, who was also present during the dialog at the defense department social hall, said the DND [Department of National Defense] and the AFP "always welcome all people-initiated, community-based peace-initiatives" but stressed that the first priority of the soldier is to fight the armed enemy "to ensure the survival of the Republic."

Manglapus: Government Firmly Against Taiwan Act

HK1912040490 Manila PHILIPPINES NEWSDAY
in English 19 Dec 90 p 3

[By Arthur I. Bariuad]

[Text] Foreign Secretary Raul Manglapus yesterday said that the government is "firmly against" the passage of the Philippines-Taiwan Beneficial Relations Act, adding that while the one-China policy will continue, economic relations with Taiwan will be fostered.

"Our position is that we are firmly against a so-called Taiwan Relations Act. We don't want Taiwan mentioned in any special legislation."

The controversial measure has raised serious objections from Chinese diplomats in Manila because of its political implications, particularly the creation of "two Chinas, or one China and one Taiwan."

After the House of Representatives temporarily shelved the proposed law, the People's Republic of China recalled its resident ambassador to the Philippines, Wang Yingfan, who has still yet to be replaced. Wang now chairs the Asian Department of the Chinese Foreign Affairs Ministry in Beijing.

"We would support legislation that will be more general in character which might incidentally affect our economic relations with Taiwan but would not single out Taiwan for political recognition," Manglapus said.

"We sometimes have to take extraordinary effort to develop our economic relations with Taiwan," he added. "We don't want Taiwan to be mentioned in any special legislation."

The DFA [Department of Foreign Affairs] chief also revealed that during the visit of Chinese Prime Minister Li Peng in Manila last week, Beijing has expressed no objection to increased relations between Manila and the breakaway province, provided these are on an unofficial basis or person-to-person contacts.

He said that Li has demonstrated an openness "which we appreciate towards our economic problems and he recognized that Taiwan plays an important role in Philippine development."

According to Manglapus, the Chinese premier also recognized that fostering relations with Taiwan is only part of "our sincere effort to develop only economic, not political relations."

Manglapus has repeatedly said that the Philippine government will adhere to the one-China policy which is contained in the 1975 joint communique formally establishing Manila-Beijing diplomatic relations. The policy states that the Philippines would only recognize the Beijing government as the sole legitimate representative of the whole of China.

But Manglapus also indicated that the accord will not hinder Manila from establishing relations with countries which are potential sources of commerce, trade and investment.

Senator Estrada Firmly Opposes U.S. Bases

HK1512054590 Manila DWIZ Radio News 882
in Tagalog 0400 GMT 15 Dec 90

[Text] Senator Joseph Estrada intends to break the political tradition which allegedly dictates that all of the country's presidents milk the U.S. Government for money. Senator Estrada says that this was a difficult situation because it would only result in making the Philippines perennially indebted to the United States. He added that he remained firm on his stand for the

removal of the U.S. military bases because it is the alleged root of the country's present problems.

Easing Travel Restrictions Signals Cold War End

*HK1012105990 Manila THE MANILA CHRONICLE
in English 10 Dec 90 p 8*

[By Lito Zulueta]

[Text] The Philippines will ease travel restrictions on Chinese, Soviets and other nationals of socialist states to signal "the end of the cold war," Malacanang officials told the CHRONICLE.

Travel restrictions will also be eased on Iranians but will stay on South Africans, North Koreans, and Cambodians.

This shift in foreign policy, reached during the meeting of the Cabinet committee on security and political development (Cluster E), was made amid preparations for the Dec. 13 official visit of Chinese Premier Li Peng.

Press Secretary Tomas Gomez III said that while the decision had nothing to do with Li's visit, it would improve the atmosphere of his visit and contribute to greater Chinese-Filipino relations.

Gomez, a Cluster E member, said that to ease the travel restrictions, the Department of Foreign Affairs would have to amend the Foreign Service through an administrative order.

Press Undersecretary Horacio Paredes said nationals of socialist states could not enter the Philippines without filing a visa application with the Philippine embassy in their respective states.

The embassy, in turn, will have to send the applications to the Philippines for intelligence check and processing, he said. The process takes at least three weeks.

Paredes said a Cuban trade and investment mission failed to enter the country recently because of the restrictions.

A Malacanang official who refused to be named said the restrictions were "ridiculous" because the National Intelligence Coordinating Agency [NICA] does not have the means to check properly the background of the applicants.

"We not only have to ease the restrictions because of their impracticality, but we have to signal in our own foreign policy the end of the cold war," the official said.

Last year, congressmen accused the government of endangering its sovereignty by submitting the applications of socialist nationals to the United States Embassy for intelligence check.

The easing of restrictions on Iran came after it granted a Philippine request to increase its oil shipment by 40,000 barrels at the outbreak of the Gulf crisis.

Iran has also conducted a high-profile diplomacy lately, sending relief donations to the Philippines for quake victims.

Li Peng Ends Three-Day Visit 15 Dec

*HK1512052590 Quezon City Radyo ng Bayan
in Tagalog 0457 GMT 15 Dec 90*

[Report by Edgar Alan Satira from the VIP lounge of the Ninoy Aquino International Airport—live]

[Text] [Broadcast monitored in progress] ...his wife as well as those in Premier Li Peng official's entourage. The president is awaiting Premier Li Peng's arrival so that she can personally bring him to the tube which leads to the aircraft. The official send-off ceremonies, originally scheduled on the tarmac, were cancelled due to a slight drizzle earlier this morning at the Ninoy Aquino Airport and so the send-off has been moved to the VIP lounge.

The group has now arrived and the president and Li Peng are each seated on a sofa separated by a small glass-topped table [word indistinct]. The president is now speaking with Madame Li Peng while the PRC premier smilingly looks at the president. The president is wearing a peach-colored dress [passage indistinct].

Premier Li Peng visited for three days, 13-15 December. Li's official party has now all arrived. The president was the first one to arrive at the VIP lounge. We are not expecting a departing message from the PRC premier.

President Corazon Aquino has stood up and they are now headed [passage indistinct]. President Aquino is now walking together with Premier Li Peng while photographers take some pictures for posterity's sake. General Renato de Villa is also here, as is General Rodolfo Biazon. President Aquino and Premier Li Peng have just exited from the VIP lounge door and are on their way to the tube which leads to an Air China Boeing-747 that will bring Premier Li Peng, his wife, and delegation to their destination.

U.S. Defense Commitment Sought on Spratlys

*HK1812031190 Manila THE MANILA CHRONICLE
in English 18 Dec 90 pp 1, 6*

[By Marie Rose Feliciano]

[Text] The United States commitment to defend the Philippines militarily, as when the Spratly Islands are attacked by an external enemy, will be put to a test when the mutual defense treaty (MDT) signed in 1951 comes under review next year.

Foreign Secretary Raul Manglapus told the Kapihan sa Maynila [Manila coffeeshop] forum yesterday that MDT ought to be reviewed in the light of U.S. declarations that it would not defend the Philippines' "so-called territory" in the South China Sea, which are the Spratly Islands.

"I personally feel that when the time comes, and that should come very soon, we should review the MDT. I feel that there are limitations which the U.S. has unilaterally imposed on their so-called responsibilities to the MDT that have to be corrected," Manglapus said.

Under the treaty, the Philippines and the U.S. pledged "they would defend themselves against external armed attack, so that no potential aggressor could be under the illusion that either of them stands alone in the Pacific area."

Manglapus said the U.S. had told the Philippines that if the Spratlys would be attacked by external forces, the U.S. would not be expected to help defend the islands.

The U.S. position, he indicated, is: "'We will not defend you if what is attacked is your so-called territory in the South China Sea.' They do not want to admit that we have territories in the South China Sea. That is something that we have to straighten with them once and for all."

The Spratly Islands, 250 miles to the west off Palawan, is in the middle of the South China Sea and is also claimed by China, Taiwan, Vietnam and Malaysia.

On another subject, Manglapus said it would be very difficult to impose the no-nuke provision in a bases agreement due to the "neither-confirm-nor-deny" policy of the U.S.

Manglapus said countries hosting military bases avoid the "serious dilemma" of determining whether the U.S. has nuclear weapons inside the bases by not asking at all. "The Japanese don't bother to ask... in Spain, they have a provision that U.S. may not overfly in Spanish territory planes that carry nuclear weapons, and so we asked the Spaniards, 'How do you enforce this? Do You ever ask?' And they said, 'no'," he told reporters.

Influx of Rebels in Metro Manila 'Noticeable'

*HK1912035690 Manila MANILA BULLETIN
in English 19 Dec 90 pp 1, 21*

[By Mario Casayuran]

[Text] Maj. Gen. Cesar Nazareno, interim Philippine National Police chief, told a Senate body yesterday that there has been a "noticeable influx" of some 1,000 New People's Army (NPA) rebels in Metro Manila.

Nazareno, who is also still the PC-INP [Philippine Constabulary-Integrated National Police] chief informed the Senate finance subcommittee II [Roman two] headed by Sen. Ernesto Maceda, however, that he could not say if the rebels' entry is an indication of increased anti-government activity or simply for "rest and recreation (R & R)."

He added that the figure was only an estimate, referring to an earlier closed-door testimony of Maj. Gen. Rodolfo Biazon, acting Armed Forces chief of staff, before the Maceda sub-committee.

Biazon and other AFP [Armed Forces of the Philippines] officials, including Nazareno, appeared before Maceda to give an overview of the adverse effects of their reduced budgets as compared to their performance.

Congress and Malacanang had earlier agreed to re-enact the 1990 budget for the 1991 fiscal year which begins Jan. 1 as a result of the country's deteriorating economic condition.

Nazareno asked the Maceda sub-committee to help in restoring his command's fuel budget or it will be forced to "ground most of the vehicles except firetrucks... (which) will surely jeopardize the prosecution of our law enforcement functions and maintenance of peace and order."

The sub-committee hearing was first opened to the public but was later closed for an "executive session" as classified information materials were discussed.

After the committee hearing was reopened to the public and Biazon has already left, Nazareno testified that the communists or their front organizations might take advantage of the current financial difficulties of the government to create a situation for them to take over the government.

Brig. Gen. Marino Filart, PC-INP Capital Command (Capcom) commander, however, said that his command has not experienced any increased NPA activity.

The rebels could have entered Manila not to increase their anti-government operations but because of the difficult life of being guerillas and the increased government-initiated campaign against the rebels, Filart said.

"More of an escape. Possible "they came for an R & R," Filart replied to a Maceda query whether those who have sought refuge in the metropolis included leaders of the Communist Party of the Philippines-NPA-National Democratic Front (CPP-NPA-NDF).

Both Nazareno and Filart pointed out that the reduction in the fuel allocations of their commands because of no increase in their proposed budget for 1991 would affect their operational capabilities.

Rebels Sentenced to 32 Years Imprisonment

*HK1912045190 Quezon City Radyo ng Bayan
in Tagalog 0300 GMT 19 Dec 90*

[Text] Eighty-one soldiers involved in the failed coup d'etat [not further specified] were sentenced to up to 32 years imprisonment. The verdict was released by the military court last night. A total of 113 soldiers are being tried for mutiny and murder in connection with the

failed coup. In the past five years of President Aquino's term, rebel soldiers have attempted to grab power, but they continue to fail.

Rebel Leader, Two Others Captured in Bataan

*HK1812031390 Manila MANILA BULLETIN
in English 18 Dec 90 p 8*

[By Efren Molina]

[Text] Balanga, Bataan—A New People's Army (NPA) leader with a P [Philippine Peso] 25,000 reward for his capture and two NPA female members were captured by government forces yesterday in Limay and Morong, both towns of this province.

Maj. Domingo T. Inohaldo, commanding officer of the 165th PC [Philippine Constabulary] company based in Limay, said Alex Abando, alias "Ka [comrade] Alex," arrived in Alangan, Limay two days earlier to undertake sabotage operations.

In a report to Lt. Col. Enrique B. Galang Jr., Bataan PC-INP [Integrated National Police] commander, Inohaldo said that a tip by a "concerned citizen" led to the capture of Abando.

He said government troops secured a court order for the arrest of Abando from Judge Pedro Villafuerte Jr. of Branch IV of the Bataan regional trial court.

Inohaldo said PC soldiers and policemen were denied entry to the house by the owner, Elmer Caballero, unless a warrant for Abando's arrest was issued by the court.

Inohaldo said the government forces surrounded the house while the judge was sought out for the arrest order. The lawmen got Abando after several hours and brought him to Camp Tolentino.

Colonel Galang said Abando was involved in the harassment of the 165th PC outpost in barangay Calungusan in Orion, Bataan early this year and a suspect in a murder case.

He said that Abando was a member of the NPA's Section Committee 80.

Labor Leader Killed in Southern Mindanao

*OW1812141690 Tokyo KYODO in English 1328 GMT
18 Dec 90*

[Text] Davao, Philippines, Dec. 18 (KYODO)—An unidentified assailant Tuesday gunned down a labor strike organizer in what workers charge was a strike-related killing.

The slaying of Warlito Lisondra, 33, a staff organizer of the United Labor Organization in southern Mindanao, a local union affiliated with the militant May One Movement (KMU), followed strikes staged last week by militant unions to protest a 45 percent increase in fuel prices.

Police First Class Ricardo Arcilla said Lisondra was walking along a busy street here at around 1:30 P.M. when an unidentified man approached him and shot him in the head. He later died in a hospital from the single gunshot wound.

Lisondra was the fourth labor leader to be killed since April in this city about 960 kilometers south of Manila.

"The brutal slaying is a manifestation that leaders of cause-oriented groups are being eliminated to quell the rising discontent of the people," said Erasto Librado, KMU vice president for the Mindanao Island group.

Librado said the killing was "90 percent strike-related."

Military Raids Communist Rebel Camp in Iloilo

*HK1812131790 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 18 Dec 90*

[Text] Government troops raided a suspected communist rebel camp in Barangay Jordan, Iloilo City. Jim Belasano reports:

[Begin recording] Based on a report received by PC-INP [Philippine Constabulary-Integrated National Police] chief Major General Cesar Nazareno from PC-INP Recom [Regional Command] 6, the attack occurred at about 0745 [2345 GMT] yesterday while some of the communist rebels were preparing to leave the camp. The report also said that the 324th PC Company, led by Captain Leo Fuertillano, encountered a group of fleeing rebels. Recovered from the camp were communications equipment and subversive documents. The encounter lasted 30 minutes but no one was reported killed or injured on the government side, while it is not yet determined whether the rebel side suffered any casualty. [end recording]

Kidnapped American Said CIA Agent, Ill

*HK1712032890 Manila DIYARYO FILIPINO
in Tagalog 17 Dec 90 pp 1, 7*

[Text] Cauayan, Isabela—American missionary Arvy Duane Brown, kidnapped by the NPA [New People's Army] in Cagayan, is seriously ill. This was recently reported by the Regional Command [RECOM] 2 station which said the American has an intestinal ailment. The rebels kidnapped Brown at a checkpoint in Cagayan last October 17. To date it is not clear when the NPA will release him.

Meanwhile RECOM chief Colonel Miguel Fontanilla ordered all his field commanders to redouble efforts to free the missionary. The NPA have not admitted they are holding Brown. However, the rebels have declared that Brown is not a missionary, but a Central Intelligence Agency agent who was involved in mapping and surveillance operations in northern Luzon when he was caught.

Meanwhile seven NPA members were recently killed and one soldier wounded in a clash near the Philippine relay

station in Barangay Roma, Enrile Town, Cagayan. A report by Captain Juan Orani, commanding officer of the 11th PC [Philippine Constabulary] Company, said the encounter took place when the 24th Infantry Battalion and the 11th PC Company responded to a call made when rebels commandeered a trailer truck owned by Edmundo Marasigan, mayor of Santa Maria, Isabella. The rebels reportedly took the truck and burned it in Barangay Roma. The dead rebels were not identified; the injured soldier was Corporal Peter Lugo of the 11th PC Company.

Thailand

Athit To Review Burma Policy, Visit Cambodia

BK1912015190 Bangkok *THE NATION* in English
19 Dec 90 p A5

[Text] Newly-appointed Foreign Minister Athit Urairat pledged yesterday to review policy on Burma, which he said would be based on balancing respect for the neighbouring country's sovereignty with a concern for human rights and the need to minimize adverse effects from its internal political turmoil on Thailand.

Athit said the continued influx into Thailand of Burmese dissident students and politicians fleeing political unrest was compelling the Foreign Ministry to adjust its policy.

Thailand provides refuge for political dissidents fleeing persecution in Burma, but concerns on the effects on Thailand's border security and business interests have prompted the Thai government to tend to ignore human rights conditions inside Burma.

"We cannot sit idly by given the concerns over the human rights situation there. It (the violation of human rights) demands a proper reaction," said the Solidarity Party spokesman.

But Athit admitted that the political turmoil was Burma's internal affair and the Foreign Ministry would have to respect that fact in adjusting its position.

Opinions from various sectors in Thailand dealing with Burmese affairs will be considered in reviewing Thailand's policy towards the neighbouring country, Athit said.

The new foreign minister focused on Burma yesterday at his first press conference, held to explain Thailand's posture towards neighbouring mainland countries.

Athit's emphasis on Indochina is unprecedented compared with his predecessors, who gave more weight to ASEAN member countries.

Asked whether he would visit Phnom Penh, Athit said "eventually yes, after the Paris conference (on Cambodia)," but declined to elaborate.

The 12 members of the Cambodian Supreme National Council are reportedly to meet the Indonesian and

French foreign ministers, co-chairmen of the Paris International Conference on Cambodia, in Paris later this week to work towards a peace settlement in Cambodia.

Athit said he felt that the Foreign Ministry should develop equal contacts with each faction in the Cambodian conflict regardless of their ideological background. He said external parties should maintain a distance from the conflict while striving for a peaceful solution.

Asked whether he thought he would be given a free hand in conducting foreign policy, Arthit said there was no personal independence but national policy.

He said he had a good relationship with Prime Minister Chatchai Chunhawan's advisory team. The advisers are influential in formulating Thailand's foreign policy.

New Government Makes Economic Policy Statement

BK1912021790 Bangkok *BANGKOK POST* in English
19 Dec 90 p 17

[Text] The new Chatchai Administration aims to boost the country's exports diversifying to more potential markets as a strategy to help the economy cope with the expected hard times next year.

The initiative, the first major economic policy statement by the new Government, was spelt out by Prime Minister Chatchai Chunhawan at the first Cabinet meeting yesterday.

General Chatchai recommended three main strategies to achieve the goal, said newly appointed Government spokesman M.R. Priyathon Thewakun.

Firstly, he instructed the Foreign and the Commerce Ministries to spearhead efforts to develop more export markets.

Since Thailand's economy is becoming more export-oriented the country's export strategy should be improved, Gen Chatchai told the ministers.

Thailand has become the production base for various industries relocated from industrialised and newly-industrialised countries, so exports have been growing very rapidly and new markets will have to be developed to cater for this growth.

M.R. Pridiyathon said the Prime Minister instructed the two ministries to cooperate in penetrating new export markets.

Secondly, he instructed the Industry and Agriculture Ministries to ensure that adequate supplies of quality raw materials are provided to exporting industries.

As exporters need good port facilities, Gen Chatchai said the third strategy was to develop new transportation channels geared for exports.

One such potential project is the development of a deep-sea port in Krabi as a key part of the Southern Seaboard Development Programme.

He recommended that the southern port project be accelerated to supplement the existing Klong Toey and Sattahip ports, and Laem Chabang which is due to begin operations on January 21, 1991.

On the tight money situation, M.R. Pridiyathon said the Prime Minister instructed the Interior Ministry to examine the problem of unsold condominiums.

He said since large investments had been made in condominium projects and many now cannot be sold, a lot of cash had disappeared from the system and this had contributed to the current tight liquidity.

During his last administration, Gen Chatchai floated the idea of issuing an executive decree to allow foreigners to buy condominium units up to a ceiling of 40 per cent of each building's living space.

It was earlier proposed to endorse the idea in legislation but the Prime Minister said this would take too long and would not solve the current tight money situation.

Gen Chatchai yesterday also appointed Deputy Prime Minister Chaloephan Siwikon to head a special task force to deal with falling rice prices.

Government Aims Scheme To Boost Rice Prices

*BK1912073090 Bangkok Domestic Service in English
0000 GMT 19 Dec 90*

[Text] The Ministry of Commerce will buy 200,000 tons of rice as part of its scheme to shore up paddy prices.

Commerce Minister Amaret Sila-on says the purchase of the rice volume has already been approved by the prime minister. The minister also expresses his support for the setting up of a rice organization to deal with the Government's rice trade with foreign governments.

Meanwhile, president of the Thai Rice Millers Association, Nippon Wongtrangan, says paddy output next year is expected to drop by 2 million tons while domestic consumption will remain unchanged. Thai rice exports next year are likely to decline by 3.8 million tons from 4 million tons. Mr. Nippon urges the government to create credibility among rice traders by distributing information of rice situation to farmers and rice millers in various provinces.

Chamlong Warns Interior Minister on Interference

*BK1512031590 Bangkok THE NATION in English
15 Dec 90 p 3*

[Text] Bangkok Governor Chamlong Srimuang yesterday warned newly-appointed Interior Minister Gen Praman Adireksan not to interfere with the work of the Bangkok Metropolitan Administration (BMA).

He said such interference would cause more damage than good.

Chamlong was speaking to reporters after it was clear that Praman was to be moved from the Industry Ministry back to the Interior Ministry.

Chamlong and Praman were often locked in conflict while the latter was interior minister before being transferred to the Industry Ministry. One ongoing wrangle involved the appointment of the city clerk.

The governor, who is leader of Phalang Tham Party, said the work of the BMA would be seriously affected if there was political interference.

"If the new minister interferes with the work of the BMA, I would complain to the public," he said.

Chamlong said Cabinet members should know the scope of their responsibilities. "They should not abuse their authority to the extent of interfering with routine (civil-service) work," he said.

Evacuation of Mideast Thai Workers Viewed

*BK1912093190 Bangkok SIAM RAT in Thai
16 Dec 90 pp 1, 16*

[Excerpt] [passage omitted] According to a Foreign Ministry source, the Foreign Ministry and the Labor Department have cooperated in formulating a plan for evacuating Thai workers from the Middle East for consideration by Deputy Prime Minister General Athit Kamlang-ek, in his position as chairman of the committee for evacuating Thai workers in the Middle East. The Foreign Ministry, as the coordination agency, has worked continuously on the matter by holding meetings of the ministry working committee and consulting with diplomats of the Israeli, Turkish, and Egyptian Embassies on cooperation in the evacuation. The diplomats concerned have provided satisfactory cooperation because Thailand is a good friend of those countries.

The source said due to the numbers involved, it is unlikely that all Thai workers can be evacuated. There are 130,000 Thai workers in Saudi Arabia alone. Other forms of assistance will have to be considered, such as moving them to small towns or safe areas far from dangerous locations. A center might be set up to gather Thai workers to the same location. The center will be staffed by Thai officials to provide services and close assistance. In any event, the evacuation plan will have to give priority to the safety of workers because there are Thai workers in many countries in the Middle East.

Princess Resigns WHO Ambassadorial Post

*BK1512031990 Bangkok THE NATION in English
15 Dec 90 p 1*

[Text] HRH [Her Royal Highness] Princess Chulaphon has resigned from her honorary position as World Health Organization (WHO) Goodwill Ambassador in protest

of the sudden withdrawal of support by UN agencies from her institute's international AIDS seminar, scheduled to begin in Bangkok on Monday.

WHO made the unprecedented announcement in Geneva on Thursday, stating the organization would not participate in the Chulaphon Research Institute's International Congress on AIDS due to a Thai immigration regulation that forbids people with AIDS to enter the kingdom.

"Regrettably, Thailand ... prohibits granting visas for short-term travel to persons with AIDS. WHO has urged the Thai Government to change this regulation (but) as of 13 December no change had been made," a WHO press release stated.

It said the regulation violates a May 1988 WHO resolution urging member states to protect the human rights and dignity of people with AIDS, and to avoid discriminatory action and stigmatization.

WHO had pledged Bt [baht] 1.25 million (\$50,000) for conference preparations, air tickets, and speaker fees, and had been planning to send eight speakers to the meeting, including the new chief of the WHO Global Programme on Aids Dr M.H. Merson. The UN Development Programme, UNICEF and UNESCO has also withdrawn additional funding.

An official statement from the Chulaphon Research Institute indicates that the princess decided to resign from her honorary post because she felt unjustly pressured by WHO to lobby for changes in the regulation.

The statement noted: "The princess maintained that she is not in a position to force changes in laws or ask for special privileges to allow AIDS patients to come into the country because this is a governmental matter."

"This is a private institute that has never meddled in politics, and must abide by Thai laws," the statement said.

One source said that WHO officers in Geneva are also concerned about the pending draft AIDS bill that would empower law enforcers to imprison people with AIDS if they do not comply with certain restrictive measures. Criticized widely by local non-governmental organizations, the source said WHO might reconsider its support to Thailand's AIDS programme if this "Draconian" law was passed.

The Bangkok WHO office, however, gave no confirmation of this.

Earlier this month, public health officials attempted to gain Cabinet approval to change the immigration rule, but then Minister of Interior Banhan Sinlapachach—responsible for immigration laws—turned down the proposal.

Dr Thira Ramasut, director general of the Communicable Diseases Department had argued that the regulation should be abolished because it has no public health rationale.

He told reporters yesterday that the rule was "nonsensical" as AIDS tests are not even required of foreigners requesting visas into Thailand, so there remains no way of knowing who has AIDS or not.

Vietnam

Further on National Assembly's Proceedings

Radio Reports 13 Dec Meeting

BK1412151390 Hanoi Domestic Service in Vietnamese
2300 GMT 13 Dec 90

[Report by station correspondent Truong Cong Hoa on the 13 December afternoon meeting of the Eighth National Assembly's eighth session at the Ba Dinh Conference Hall—portions recorded]

[Summary] "Yesterday afternoon, 13 December, the deputies attending the Eighth National Assembly's eighth session concentrated on discussing socioeconomic plans and the state budget for 1991, measures to unravel difficulties in an effort to fulfill the 1991 plan, and other socioeconomic issues.

"Comrade Nguyen Hoa, acting chairman of the National Assembly Economic, Planning, and Budget Committee, reported on various courses of action to be taken under the three plans put forth in Comrade Phan Van Khai's report on the morning of 13 December. After Comrade Nguyen Hoa delivered his remarks, the deputies concentrated on their discussions."

Some 16 deputies expressed their opinions. However, when it came to selecting socioeconomic plans for 1991, many of them presented different views. Some spoke in favor of plan number one, others voiced support for plan number two. Toward the end of the meeting, Nguyen Thi Mai Thanh, National Assembly deputy from Ho Chi Minh City, expressed her opinions:

[Begin recording] In my opinion, the question here is not an increase or a decrease of a few percentage points in output, but the decline of our industrial production. In the remaining days of this National Assembly session, we should concentrate on discussing concrete measures to overcome this situation. [end recording]

"When discussing various specific issues at length, almost all deputies touched on the question of capital for implementing the 1991 plan. They suggested that efforts be made to recover all available amounts of money acquired as a result of the struggle against corruption and negativism while making use of capital amassed from foreign countries or Vietnamese workers abroad. Many deputies disagreed with the supplementary report of the Vietnam state bank governor on the activities of the

bank. Pointing out an example in Thanh Hoa Province, National Assembly Deputy Le Thanh Tu said:

[Begin recording] "In more than one year, fishermen had to invest 10 billion dong in the development of materials, but they could obtain a loan of only 2 billion dong from the state. This showed that the amount of investment from the self-acquired fund of fishermen was 8 billion while the amount of state investment was relatively small. Therefore, I suggest that various banks change their methods of extending loans for use in each field." [end recording]

Comrade Phan Van Loi, National Assembly deputy from Tay Ninh Province, suggested that the state concentrate on developing the economic efficiency of projects in which capital has been invested, considering this one of the measures to increase revenue for the state budget.

"When expressing their views, all deputies unanimously held that accelerating production is the final measure for successfully fulfilling the socioeconomic plan for 1991."

Today, its ninth working day, the National Assembly will hold its plenary session at the Ba Dinh Conference Hall in Hanoi.

Shareholding Draft Law Covered

*BK1612143090 Hanoi Domestic Service in Vietnamese
1100 GMT 15 Dec 90*

[Report by station correspondent Truong Cong Hoa on the 15 December group discussion by National Assembly deputies on the draft law on shareholding corporations]

[Summary] "Similar to their discussion on the draft law on private trade, National Assembly deputies on 15 December spent a lot of time debating animatedly the draft law on shareholding corporations, especially items 4 and 5 of Chapter Two, which stipulated that state personnel, members of the Armed Forces, state agencies, and units of the Vietnam People's Army [VPA] are prohibited from using the state property and funds to invest in shareholding corporations."

Some deputies proposed that the law should be revised to mobilize capital from the people's strata to develop production, while the others urged that state-run establishments which operated at a loss be allowed to switch to shareholding corporations to be able to expand their business.

"Engineer Nguyen Kim Anh, deputy from Hanoi, said that at his factory, workers warmly welcomed the establishment of shareholding corporations saying that it is an essential measure for strengthening relations between workers and their production units and between responsibility and interests."

Another deputy from Quang Nam-Danang Province urged that favorable conditions should be created to enable more agencies—especially social organizations

comprising families of members of the Armed Forces—to take part in shareholding corporations to improve the people's daily life, which faces many difficulties.

Various deputies from Ho Chi Minh City held that prohibition to joining shareholding corporations should be imposed only on those who misused their authority for self-interest, while encouragement should be given to those who save their money and invest in the business.

Many deputies raised the question of managing foreign currencies obtained by shareholding corporations, while the others touched on the issue of granting licenses to these corporations. "Many proposed that people's committees of municipalities, provinces, and special zones directly subordinate to the central government should be charged with this authority, while the others said the economic court—not economic arbitration agencies—should receive this honor."

In the same group discussion, several deputies proposed that the state should soon promulgate the law on ownership and the labor law to protect the legitimate rights and interests of workers.

"Dear friends, the animated debates on the draft law on private trade and the draft law on shareholding corporations carried on during the past two days indicate that National Assembly deputies really care about the interests of their voters. As a result, they carefully discussed the pros and cons of the draft laws to have the best legal documents aimed at accelerating production and improving the people's daily lives, thereby creating favorable conditions for all citizens to have the chance to contribute to building the Vietnamese fatherland."

After the group debates, the abovesaid two draft laws will be discussed extensively at a plenary session before final adoption.

Deputies Discuss Military Laws

*BK1812134390 Hanoi Domestic Service in Vietnamese
1430 GMT 16 Dec 90*

[Report on National Assembly's 15 December group discussions on the draft laws on amendments and supplements to the law on military service and the law on officers of the Vietnamese People's Army]

[Summary] "Yesterday, 15 December, National Assembly deputies worked in groups to discuss two draft laws, namely the draft law on amendments and supplements to a number of articles in the law on military service and the draft law on amendments and supplements to the law on officers of the Vietnamese People's Army [VPA].

"Regarding the draft law on amendments and supplements to some articles in the law on military service, almost all National Assembly deputies unanimously agreed with Article No. 14 concerning the length of service for noncommissioned officers and soldiers,

which is now two years—a reduction of one year compared with the old law.” Deputies from Ho Chi Minh City proposed an 18-month or one-year length of service. This, however, was turned down by most of the other deputies, who argued that an excessively enormous reduction would deprive soldiers of their training time.

“After their discussions, deputies from Gia Lai-Cong Tum, Dac Lac, and Lam Dong also agreed unanimously that the length of military service is two years and that this should be applied to all Vietnamese citizens, including youths of various ethnic minority groups.”

Many deputies reached identical views on article 29 of the draft law, which deals with those enjoying military exemption such as youths with poor health; children of fallen combatants; the only surviving elder or younger brother of a fallen combatant; the only son of a Class-I or Class-II disabled soldier or a Class-I ailing soldier; youths who are the only breadwinners in their families; youths whose brothers or sisters are noncommissioned and soldiers on active duty; youths who serve as teachers or medical workers, assault youths currently on duty in mountainous or remote areas; youths who are conducting scientific research at state projects or are studying at general, vocational, and vocational middle schools, or at high-level schools and colleges under state training programs.

“Deputies from Thai Binh held that the three-year period of community service exemption for noncommissioned officers and soldiers upon their discharge from the Army is too long and suggested that it be shortened to six months.

“Regarding the draft law on amendments and supplements to the law on officers of the VPA, National Assembly deputies focused their discussions on amendment to Article No. 7 of the current law concerning the rank of senior lieutenant colonel. Many of them advocated the retention of the rank of senior lieutenant colonel. Some of them, however, stressed the need to improve the criteria and standards of knowledge for officers in the Army. They also paid special attention to the scientific and technical force in the Army.

“Commenting on the systems of salaries and allowances for officers on active duty, the national deputies expressed the need to adjust the system of salaries in the Army and increase living allowances for soldiers and noncommissioned officers on active duty in areas where life is rife with difficulties, such as mountainous regions and offshore islands.

“Some deputies also held that it is necessary to stipulate specifically in the law the difference between the salaries of Army officers and equivalent cadres of various state organs, as well as to review the fairness in the [words indistinct] between cadres and combatants of the Armed Forces and cadres and personnel of state organs.

“Tomorrow, 17 December, National Assembly deputies will continue their group discussions on the report of the

Council of State, on the organizational and operational systems of the Nationalities Council and other standing committees of the National Assembly, and on amendments and supplements to a number of articles in the system of National Assembly deputies and the regulation of the National Assembly session.”

Activities Continue 17 Dec

BK1812142190 Hanoi Domestic Service in Vietnamese
1100 GMT 17 Dec 90

[Report by station correspondent Ngoc Ky on National Assembly's discussions on 17 December—portion recorded]

[Text] Today, 17 December, the eighth session of the Eighth National Assembly entered its 11th working day, with deputies holding group discussions on the activities of the National Assembly and the Council of State over the past three years and the orientation of the National Assembly's activities from now until the end of its term.

In the groups of deputies from Hanoi, Long An, Tien Giang, Vinh Phu, and Dong Nai, most of the speakers were unanimous with the assessments contained in the report presented by National Assembly Chairman Le Quang Dao before the National Assembly. Over the past three years and more, mindful of their responsibility for contributing to the implementation of renovation, the National Assembly, the Council of State, the Nationalities Council, the standing committees of the National Assembly, deputies delegations, and the deputies themselves have made every effort to fulfill their functions and duties. They have focused on lawmaking and supervisory work and have made decisions on other important issues in the country.

Since the beginning of its term, especially during the past two years, the activities of the National Assembly and the Council of State have begun to undergo some changes and have become more effective, winning the attention and acclaim of the people throughout the country. The changes have been most noticeable in the preparations for and conduct of National Assembly and Council of State sessions, the contents of which have become increasingly diversified.

An outstanding feature of legislative work is that the National Assembly has concentrated its efforts on formulating many laws and regulations to serve the management of the country, to promote the transformation of the economic management mechanism, and to meet the country's demand for renovation. The National Assembly has considered and made decisions on important and pressing socioeconomic problems, stepped up control and supervision over the implementation of various National Assembly resolutions and law enforcement. It has also strengthened supervision and guidance over the activities of the People's Councils at all levels.

However, Chairman Le Quang Dao's report as well as the views expressed by various deputies agreed that there

remained numerous shortcomings and deficiencies in the National Assembly's work. The most serious shortcoming in the activities of the National Assembly, the Council of State, the Nationalities Council, and the various standing committees of the National Assembly over the past three years and more was that they have not yet fully discharged their functions and duties and that their work has failed to meet requirements as stipulated by the Constitution and the law. Many of their activities still had a formalistic character. Specifically, their legislative work has not measured up to the requirements of the situation and the socioeconomic managerial duties. The National Assembly has confined itself only to making suggestions and adopting a number of laws, while its supervision of law enforcement has shown many limitations. Most of the conclusions drawn by the National Assembly on various issues have been restricted to making general remarks and assessments.

Meanwhile, the way the Council of Ministers and various National Assembly committees answered questions asked by National Assembly deputies have tended more toward clarifying the general situation instead of pointing to the concrete causes and suggesting necessary measures to help the National Assembly resolve problems of public concern. Many urgent social, nationality, and public welfare problems have not received due attention and have not been raised as special topics for the National Assembly to discuss and decide in conformity with the people's demands and aspirations. The National Assembly has at times shown formalism, passivity, and confusion in making decisions on socioeconomic, budgetary, and organizational matters.

Although the National Assembly, the Council of State, and various National Assembly committees have recently renovated their activities, they have not significantly improved the contents of their activities and their work methods. For this reason, their work still has limited practicality and effectiveness. Some deputies have failed to fulfill their responsibilities toward their constituencies, and their contact with voters still has a formalistic character. Some of them have failed to gain significant knowledge of the people's feelings and aspirations and have not reported them to the National Assembly, the Council of State, and the Council of Ministers in a timely fashion.

The main causes of these shortcomings and deficiencies have been a lack of complete understanding of the position and role of the National Assembly, the Council of State, the Nationalities Council, and the National Assembly standing committees. The National Assembly, the Council of State, the Nationalities Council, and the National Assembly standing committees themselves have not been strengthened organizationally and have not made a vigorous effort to fully discharge their functions and duties. In addition, there have been other causes such as the extremely poor and deficient information work in service of National Assembly deputies, the Council of State, and other committees; the lack of

material and technical bases; and inadequate work facilities that have failed to meet the requirements of constantly increasing activities.

The deputies also made some proposals. They asked that a number of deputies be assigned to work regularly and exclusively for the National Assembly; that National Assembly sessions be shortened; and that each session concentrate on examining a number of more concrete issues.

The deputies were unanimous with the report by Chairman Le Quang Dao on the orientation of the activities of the National Assembly and the Council of State from now until the end of their terms. These activities will be centered on a number of key issues as follows:

[Begin Le Quang Dao recording] There is very little time left between now and the end of the National Assembly's term, but many tasks entrusted to our Eighth National Assembly have not been fulfilled. In 1991, the Seventh National Party Congress will be held to define the political platform, the socioeconomic strategy, and other major tasks and policies of the country. The year 1991 is also a pivotal year of the 1991-1995 five-year socioeconomic development plan. The main orientation of the Eighth National Assembly's activities for the remaining period of its term is as follows:

- To concentrate its efforts on fulfilling the unfinished legislative and supervisory tasks;
- To continue the renovation process, broadening democracy, and satisfactorily performing the functions and duties of the National Assembly and the Council of State;
- To continue overcoming formalism in all activities; and
- To review and draw experience from the work of the Eighth National Assembly to serve as a basis for orienting the activities of the next National Assembly.

To this end, we must make every effort to fulfill the following concrete tasks:

1. We must actively formulate the draft amendments to the Constitution and present them to the National Assembly for preliminary adoption at its mid-1991 session. Arrangements must be made to solicit public suggestions to these draft amendments, which must then be presented again to the National Assembly for final adoption at its 1991 year-end session. We must complete the 1991 lawmaking program; revise and amend various legal documents on the organization of the state apparatus, including the law on election of National Assembly deputies, the law on organization of the National Assembly and the Council of State, the law on organization of People's Courts, the law on organization of People's Organs of Control, and some other laws to suit the revised Constitution. We must step up preparations for the formulation of a number of legal documents

to serve the institutionalization of various party positions and policies, thereby contributing to the implementation of the political platform, the socioeconomic strategy, and other resolutions of the Seventh Party Congress.

2. In supervisory work, we must focus on controlling the implementation of the National Assembly resolutions on socioeconomic tasks, national defense and security, foreign economic relations, and the maintenance of public order and social safety. We must also focus on controlling the implementation of the Constitution and laws; contributing to resolving important and urgent problems such as removing bottlenecks in production and trading; struggling against corruption, smuggling, and tax evasion; reducing budget deficits; curbing inflation; stabilizing prices; and implementing various social welfare policies. We must resolutely and judiciously deal with all law-breaking in various economic sectors to contribute to stabilizing the political and socioeconomic situation.

3. We must continue to improve the operational methods of the National Assembly, the Council of State, the Nationalities Council, the various committees of deputies delegations, the deputies themselves, and the people's councils at all levels, in such a way as to make their work even more practical and efficient. We must adopt and implement the statutes of organization and activities of the Nationalities Council, the statutes of organization and activities of various National Assembly standing committees, the statutes of activities of the Council of State, the revised statutes of National Assembly deputies, and the revised bylaws on National Assembly sessions. We must improve the management of the sessions of the National Assembly and the Council of State, as well as the meetings of deputies' delegations and groups.

4. We must review and draw experience from the work of the Eighth National Assembly in all fields of activities during all its term for the benefit of the next National Assembly. [end recording]

Tomorrow, 18 December, the deputies will meet in plenary session at the Ba Dinh Conference Hall to discuss two draft laws: the law on private business, and the law on joint-stock companies.

Plenary Session Held 15 Dec

*BK1812140190 Hanoi Domestic Service in Vietnamese
1100 GMT 18 Dec 90*

[Report by station correspondent Dinh Khai on the 18 December plenary session of the National Assembly]

[Summary] On its 12th working day today, 18 December, the National Assembly held a plenary session at the Ba Dinh Conference Hall under the direction of National Assembly Vice Chairman Phung Van Tuu.

The National Assembly discussed and reached agreement on a number of issues related to the draft laws on private trade and shareholding corporations.

Opening the session, on behalf of the National Assembly Socioeconomic and Budget Committee and Judiciary Committee, Minister of Justice Phan Hien elaborated on a number of articles in the two draft laws.

Next, the deputies debated and voted on a number of important issues. First of all, they unanimously agreed to retain the name of the law on private trade and to change the name of the law on shareholding corporations to the law on corporations, which comprise shareholding corporations and limited corporations.

Regarding the foreword of the two draft laws, the deputies unanimously agreed to remove the sentence that state-operated trade agencies and cooperatives play a decisive role in the national economy. The purpose of the move was to guarantee equal treatment for all economic sectors.

The deputies spent a lot of time debating very animatedly on the eligibility for establishment and management of private trade and shareholding corporations as specified under Article 8 of the draft law on private trade and Point 2 of Article 4 and Article 5 of the draft law on shareholding corporations. As many as 22 deputies gave their views on this issue.

The deputies debated quite animatedly on the question as to whether or not government employees, army officers and their dependents, state management agencies, party organizations, and mass societies should be allowed to participate in the establishment and management of private trade and shareholding corporations.

According to Deputy Pham Van Uan of Dac Lac Province and Deputy Tran Thien Tu of Ho Chi Minh City, like other citizens, party members should be encouraged to take part in the establishment and management of private trade and shareholding corporations.

On the contrary, Deputy Le Cong Co of Quang Nam-Da Nang Province, Deputy Nguyen Hong Minh of Minh Hai Province, and Deputy Nguyen Thoi Bong of Hau Giang Province proposed that economic management organs, law enforcement agencies, party organizations, and mass societies should be prohibited from participating in private trade and shareholding corporations.

This is what Council of Ministers Chairman Do Muoi had to say about this issue:

[Begin Do Muoi recording] "We spent a lot of time discussing this issue. Government employees and Army officers on active duty should all be banned from participating in these business operations. Why? Because we want to guarantee strict implementation of the state law. Management organizations and law enforcement agencies are dutybound to guarantee conditions for the entire people to do business in conformity with the law. If law enforcement officers opt for business operations, things

may develop in a complicated manner. The same thing is true with other nations, including capitalist countries. Government employees do not participate in business operations. If they want to do business, they must terminate their government service. Government employees and military officers should not be allowed to participate in these operations. Faced with the difficulties encountering our government employees and military officers, we must try by all means to make the mechanism compact and to improve the wage system so as to help secure our brothers' and sisters' living conditions. Only by so doing can there exist conditions for guaranteeing strict implementation of the law." [end recording]

This afternoon, the National Assembly deputies continued their debates on the draft laws on private trade and shareholding corporations. The discussions centered around eligibility for establishment of private trade and shareholding corporations, application for trade registration, and agencies responsible for granting trade permits as well as for managing and supervising business operations.

The National Assembly reached consensus on the following issues:

1. Spouses of government employees and military officers are allowed to participate in the establishment and management of private trade and shareholding corporations.
2. For the time being, the Council of Economic Arbitration is responsible for granting private trade and shareholding corporation permits. In the future, this honor will be reserved for the economic court.

Communique No. 8 Issued

*BK1812150390 Hanoi Domestic Service in Vietnamese
1430 GMT 18 Dec 90*

[Communique No. 8 of the Eighth National Assembly's eighth session]

[Text] On 17 December 1990, the National Assembly held a plenary session at the conference hall with National Assembly Vice Chairman Phung Van Tuu presiding over this session.

On behalf of the various agencies taking part in the drafting of a document to be submitted to the Council of Ministers and the standing bodies of the National Assembly Economic, Planning, and Budget Committee and Judiciary Committee, Comrade Phan Hien, minister of justice, briefed the National Assembly on the opinions contributed by National Assembly deputies at their group discussions on the draft laws on private trade and shareholding corporations.

After 64 deputies had expressed their views, the National Assembly reached agreement on a number of issues concerning the names of the two draft laws, ineligible candidates for the establishment of private trade and

shareholding corporations, branches and trades allowed or not allowed to conduct business operations, agencies responsible for granting trade and corporate permits as well as for accepting trade registration, and action against violations.

The above-mentioned two draft laws will be reviewed pending approval by the National Assembly at its closing session.

On 19 December, the National Assembly will continue to work at the conference hall.

Vo Van Kiet's Socioeconomic Report to Assembly

Part 1, 2d Installment

*BK1712145990 Hanoi Domestic Service
in Vietnamese 2300 GMT 5 Dec 90*

["Second Installment" of first part of socioeconomic report by First Deputy Prime Minister Vo Van Kiet at the opening meeting of the Eighth National Assembly's eighth session on 5 December—read by announcer]

[Text] Dear Comrades: What is our general remark on the causes leading to the above-mentioned achievements of great significance?

The renovation process was officially initiated following the Sixth Party Congress through a set of policies governing socioeconomic development, national defense and security, and foreign relations... On the economic front alone, various policies have been formulated to give the right of autonomy to different economic sectors. Nonetheless, only since early 1989 when a number of important policies governing credit, interest rates, exchange, and pricing were applied have we been able to free our domestic and external economic relations a step further from the system of bureaucratic centralism and subsidization and to open the way for production forces to develop more vigorously.

The party's lines aimed at renovating its mechanism, the economic structure, and the state-initiated steps to implement these lines have gained the confidence and support of our people of all walks of life. As a result, these lines have survived the test of time and have yielded fine results. Of course, as far as renovation is concerned, we still have a long way to go and have scored only initial achievements. Nonetheless, these results are proof of the correctness of our policies and methods of doing things. We have succeeded in creating a new economic situation without having to go through a lot of changes and upheavals, thus creating the premise and strategic momentum for bringing into full play our economic potential.

In 1990, the state has continued to adopt market control measures in the forms of laws and regulations on taxes, customs, and economic arbitration. In 1990 alone, the state promulgated the regulations on banking services to reorganize the banking system so that it can meet the

requirements of the commodity economy, secure safe development of the monetary system, effectively regulate the flow of money, and guarantee conditions for dynamic and orderly development of the market-oriented economy. The urgent preparations in terms of manpower to renovate our financial policy and system and to formulate our trade laws are also part of the Council of Ministers' efforts to accelerate the renovation process.

It is also worth noting that our party and state are correct to attach primary importance to the renovation of socio-economic activities and to pay great attention to the democratization of sociopolitical life. The contents of democratic principles and the measures for accelerating the democratization process are all based on economic relations, ways to improve the economy, and other aspects of social life.

The results of our economic reform have greatly impressed our friends worldwide and our achievement in securing political stability, while at the same time make progress in implementing democracy, has been regarded by everyone as success of the renovation undertaking in Vietnam.

Implementing the renovation line, we have adopted a uniform strategy aimed at renovating the mechanism, economic structure, and democratization. Because the economic structure forms the key component of that uniform strategy, an initial step is needed to effect a basic change in the economy by shifting to the market-oriented economy under state control, planning, and motivation.

The market relationship is a relationship which exists between independent entities exercising equal rights within the bounds of law. This relationship gives rise to and calls for ways to satisfy democratic demands. The very objective of that initial effort to renovate the economy is to infuse new vigor into life and to cause initial democratic demands to stand out and be satisfied within the framework of the democratization process. A very slow start in the process of democratization would create a negative impact on and even cause more chaos in economic reform. We have adopted practical measures aimed at implementing democracy in economic relations, giving the right to autonomy to production and business establishments, and bringing into full play and guaranteeing equal treatment for all economic sectors... Cultural and information activities have taken place in a democratic atmosphere and have prospered and become multifarious and multifaceted. Democratic debates have been organized for everyone to voice his points of view and criticize negative phenomena and the abuse of power.

The National Assembly and people-elected organs have improved their organizations and operations a step further and have implemented the people's power in socio-economic management.

The Council of Ministers and state management organs have made efforts to improve state management through the legal system and have begun to reorganize the contingent of cadres, general departments, and specialized organs at all levels.

Dear Comrades:

I have just mentioned some issues regarding the socio-economic renovation achievements during the past several years. Now I would like to raise some points in the remaining problems.

There are two remaining problems causing difficulty and obstructing the pace of renovation and development.

The first problem stemmed from the economic structure: Vietnam is an agricultural production country with an undeveloped industrial network and backward infrastructure. Moreover, it has undergone protracted wars while its population is large and the growth rate is relatively high, thus causing numerous difficulties, including the unemployment issue and so forth. Only by adopting a long-term strategy will we be able to overcome these difficulties. The three major economic development programs, for instance, are aimed at resolving some of these obstacles to develop the country in the current stage. In the near future we will study, discuss more extensively, and decide on the long-term strategy.

Today, I propose that we pay more attention to issues of the second problem which was caused by changes in the advancement toward the new economic structure and mechanism. They include the following:

First, when economic relations were allowed to be carried out freely, the business activities developed vigorously. This has helped us to score economic achievements, but at the same time, it encouraged excessive efforts by self-seeking individuals, thus causing losses to the others and the state as well. In reality, we have seen individuals and organizations who superficially attempted to gain personally, with the loss of public property and in defiance to the state law.

Second, in shifting from the subsidies system to a business system, many economic units have not yet adapted themselves to the new mechanism, thus experiencing sluggishness and stagnation that damaged the cooperative relations within their own units and with other establishments as well. Various state-run enterprises or economic establishments that heavily relied on the old subsidies system experienced this difficulty.

Third, insufficiency of laws, ununified state control mechanisms, poor macro-economic management by the government, and imperfect law enforcement agencies which were unable to catch up with the new legal concept and lifestyle of social classes and state agencies have created loopholes in the renovation process, thus enabling speculators and bad elements to cheat the

people. Negativism, corruption, bankruptcy of private credit companies, and so forth are consequences of these shortcomings.

Fourth, given the market condition of our country, it is essential to charge localities with extensive authority in marketing. However, this has led to departmentalism in the province, thereby encouraging self-interested efforts. It is essential to note that the state must effectively control the market-orientated economy. As a result, we must define the boundary of authority between responsible agencies to ensure a unified and smooth operation from the central to the local levels.

Fifth, in implementing the market-orientated economy, many material-technical bases of sectors, factories, and enterprises—which were erroneously set up in the past regardless of the market situation and requirement of daily life—have faced numerous difficulties, some quickly advanced further while the others experienced setbacks, thus causing some surplus labor, imbalances in professional operation, injustice in circulation, and so forth.

In 1991 we must strive to effectively overcome these shortcomings. I would like to say that definitely this is the price we must pay. We can, of course, pay with a cheaper price if our management is effective enough. Shortcomings in management of a state agency did not rest entirely on its poor capability, but it was also due to degenerate cadres as well.

When we maintain a realistic look at the remaining problems, we will realize that achievements in economic renovation and political stabilization, as well as great results obtained in other social activities, are the inner forces that will help us to overcome difficulties to score ever greater achievements.

Part 2, 1st Installment

BK1812095790 Hanoi Domestic Service in Vietnamese
0500 GMT 6 Dec 90

[First installment of part two of Socioeconomic Report by First Deputy Prime Minister Vo Van Kiet at the Opening Meeting of the Eighth National Assembly's eighth session on 5 December—read by announcer]

[Text]

Part Two: Some Points in the 1991 Socioeconomic Plan.

Dear Comrade National Assembly deputies: The report on the draft 1991 plan has covered all the issues. I would like to stress only a few points:

First of all is the background of 1991.

Concerning domestic affairs, we have inherited from the 1989-1990 period some economic achievements and socio-political stability. The production capacity of such major sectors as oil and gas, electricity, cement, and steel has increased. These are significant advantages in terms

of both position and strength of the economy. The initial anti-smuggling results to some unexpected extent have borne an impact on stabilizing the rates of exchange, protecting domestic production and restoring order and discipline in business. If we concentrate on resolving the outstanding problems, accelerate the renovation process, and follow orientations of the five-year plan and the 10-year strategy, we will be able to cope with the new difficulties and surge forward.

Concerning foreign affairs, we start the 1991 plan at a time when the international and regional situation is rife with new complexities. But we also have some new favorable conditions worthy of attention.

The profound crisis, as well as the fundamental changes in the mechanism of relations among the members of the CEMA, especially with the Soviet Union, have raised many new major problems for us. We have lost an important source of international privileges. Yet, this situation is relevant to the relations of international business in our renovation process. We should overcome these imminent difficulties to create favorable conditions for long-term relations. The question is that we must take the initiative.

Our initial successes in renovation have been highly appraised by international public opinion. Together with the withdrawal of our troops from Cambodia and the Cambodian problem being resolved, they have opened the possibility of expanding even more broadly our economic relations with other countries. Although the policy of blockade and embargo against our country is still in effect, the general trend and some signs have indicated it is no longer totally effective as it was before. The EEC has recently established official relations with our country. There have also been indications of improvement in our relations with international institutions of finance and currency such as the IMF, the World Bank, the Asia Bank for Development, and so on.

The year 1991 is the third year in our renovation process, the first year of the five-year 1991-95 plan, and the year in which we will enter the stage of oriented long-term renovation of the 10-year strategy of socioeconomic development and stabilization. The year 1991 will also be better enlightened by the seventh party congress resolutions and we must necessarily struggle to create an even more favorable social setting for the party congress.

In such a background and position, we must actively surge forward in our domestic affairs, be independent and alert in our foreign affairs, fulfill the 1991 tasks, and create another steady step of strategic significance to serve as a momentum for even more vigorous development in the subsequent stage. On the contrary, if we fail to grasp the opportunity to surge forward in 1991, we will have to take many more years to recover the achievements recorded in 1989 and 1990.

The most common target in 1991 is to by all means consolidate and develop the successes achieved in 1990,

struggle to overcome the outstanding and new socioeconomic problems, firmly maintain the political, economic and social lives, prevent major upsets from occurring, and create momentum for quicker and steadier advance in the subsequent years.

First, we must concentrate on and emphasize the key economic objectives, and ensure increases of 5.6 percent in the development rate of gross social output, of 5.8 percent in the national revenues, of 6 percent in the value of industrial and handicraft production volume, and of 4.5 percent in agriculture in order to meet the people's demands and create a source of revenues for the budget.

Second, we must bring the 1990 results into play, vigorously develop the foreign economic operations, increase the export quota by at least 16 percent, considering it one of the decisive measures to secure economic balance on our own and to overcome difficulties, and continually struggle for foreign aid and investment.

Third, we must continue to restrain the high inflation-causing factors on the strength of firmly maintaining and vigorously accelerating production and construction, reduce budgetary overdraft, and strive to prevent sudden increases in prices beyond the inflation levels of 1990 so as to firmly preserve our renovation achievements.

Fourth, we must concentrate on emphatically resolving our social problems. First of all, we must step up production, absorb more labor and alleviate difficulties in life, particularly the life of wage-earners in the professional and administrative domains, the Armed Forces members, retirees, and social policy pensioners. We must enhance the quality of education, training, public health, culture, information, sports and physical training, and advance toward social justice. Particular attention must be paid to resolving the socioeconomic problems in the areas of ethnic nationalities and the mountainous regions.

Fifth, it is necessary to ensure national defense, maintain public order and security, guarantee material-technical conditions, and at the same time, pay great attention to the material and spiritual life of soldiers.

The 1991 objectives are very important and not easy to realize because of new conditions. I would like to emphasize the following points:

As for the economic objectives, the draft plan consistently reflects the policy of renovating the economic mechanism and structure and continuing to develop the multisectoral commodity-based economy with many forms of ownership and business organization directed at the three major economic programs.

Agriculturally, in 1991 we should highly concentrate our water conservancy, financial, and material conditions on production, apply technical innovations, and continue to perfect our policy structure to increase the output of grain and some major industrial crops. We should also

step up animal husbandry, trying to make it a major production sector with the emphasis placed on ensuring the production of processed foodstuffs, and improving the quality of catching and processing marine products. We should adopt uniform measures to assist the people in exploiting part of the wastelands and bare hills.

With regard to commodity industry and processing industry, the state will exercise policies to support state-run economic components and those components which are able to stand firmly on their own feet in the face of market-related ordeals so they can continue to develop and attain higher results. It is necessary to set aside foreign currencies to import enough cotton for the textile sector (along with vigorously developing cotton growing in the country), and to promote the import of production means and modern technologies needed for small-scale production of the light industry, handicraft and small industries, and the export-oriented food processing industry.

Export development has gathered its momentum around its base which consists of producing agricultural, forestry, and marine products and developing light industry, small industry, food industry, mineral exploitation industry, and some areas of heavy industry while promoting the policy of broadening relations with foreign markets. The first successful lesson that brought about the outstanding increase in the 1989-90 exports was that we have discarded bureaucratic centralism in foreign trade and applied an appropriate policy on foreign currency management. In 1991 we will on the one hand strive to encourage export-oriented production, while on the other, draw on experience in overcoming the state of fragmental export activities and competitive buying and selling, rectify our foreign exchange management.

In 1991 we will move another step further in applying the multisectoral economic structure. Based on market relations and business interests, state-run economic components, shareholding corporations, privately- and individually-owned cooperatives, and family economies should cooperate and intertwine with one another into an economic structure and should operate within the framework of the law according to the state's planned targets and strategies. In this structure, state-run components should be backed up by various financial and material support policies capable of ensuring that the state can regulate the economy and guide its development in the right direction.

Cooperatives will be gradually consolidated. Each cooperative should be a business facility to which those laboring people who have voluntarily contributed their assets and labor will, on an equal basis, cooperate with and assist one another in carrying out production and business to earn profits. The better part of a cooperative as compared against a private business establishment is that the immediate and long-term interests of each cooperative member must be higher than those of engaging in a private business. This is an objective to be

achieved. As for those types of private shareholding corporations or state-private corporations, we should study and create conditions for practically applying and developing these types of corporations through efforts to organize pilot sites, review activities, and widely multiply these activities in tandem with the process of perfecting the law and the control capabilities of the state.

Our country's production potentials—especially in manpower and intelligence; in land area, forests, and seas; in mineral resources; in the overwhelming output of various factories, mining sites, and worksites; and even in international advantages—are still latent and abundant. To transform these latent potentials into real capabilities, it is necessary for our party and state to adopt more incentive policies which should be controlled and directed according to plan.

Nguyen Van Linh Addresses Medicine Congress

*BK1412131590 Hanoi Domestic Service in Vietnamese
1100 GMT 11 Dec 90*

[Report on Party General Secretary Nguyen Van Linh's address at the eighth national congress of the Traditional Medicine Society held in Hanoi on the morning of 11 December—portions recorded]

[Text] The Traditional Medicine Society held its eighth national congress in Hanoi on the morning of 11 December to mark the 275th anniversary of Hai Thuong Lan Ong [regarded as the grand master of oriental medicine] and to receive the Independence Order First Class.

Attending were nearly 300 oriental medicine practitioners, professors, and doctors belonging to various civilian and military hospitals and medical colleges in the country. Also present were Council of State Vice Chairwoman Nguyen Thi Dinh, the heads of various societies of oriental medicine, the Union of Scientific and Technological Associations, the Red Cross, the party Central Committee's Science and Education Department, and representatives of various relevant branches and sectors.

Comrade General Secretary Nguyen Van Linh also attended and addressed the congress. He said:

[Begin recording] All medical activities under our regime are superior by nature because they are designed to serve the people's health to which great attention has been given by the party and the state. Efforts to uphold this superiority have been somewhat affected by our difficult economy. Meanwhile, the need to protect and improve the health of the people is very great. To meet that need we must develop our medicine in a way suited to the socioeconomic conditions of the country.

Our medicine must strongly shift to preventive medicine. We must especially protect the living environment, exploit and develop our traditional national medicine,

and step up primary healthcare. These are extremely important orientations toward which public health service must strive to implement in coordination with other services.

Traditional medicine is a strength of our country's medicine. From practical experiences in disease prevention and treatment, traditional medicine in our country should learn more from the theory and experience of oriental medicine in other countries. The traditional medicine itself has a very popular character. Everywhere we may find good experiences in disease prevention and treatment, and everywhere we may find plants and animals which can be used as efficacious medicaments. They will be a valuable asset of ours if good exploitation and collection can be ensured.

It is because of this that traditional medicine has continued to survive after many centuries. Nowadays, traditional medicine continues to show its vitality in the face of the vigorous growth of the science of occidental medicine. This is because traditional medicine is highly effective in disease prevention and treatment.

It is food for thought that today occidental medicine practitioners are seeking to understand and exploit oriental medicine, including our country's traditional medicine. This shows that traditional medicine has deeply infiltrated into modern medicine.

Constant scientific and technological improvements have met the needs of the people in various respects, especially in improving their life span, thus prolonging their months and years of useful living and working and enabling them to make more contributions to society. This has prompted modern medicine researchers to pay attention to the study of traditional medicine, for it can effectively prevent and treat many kinds of diseases while causing fewer side-effects to the human body.

Dear elders and Comrades: There are still numerous difficulties and obstacles lying ahead of us. But with our accumulated experiences, we will certainly be able to bring our country's medicine in general and our traditional medicine in particular into full play with ever-higher quality and efficiency.

The Public Health Ministry and the Central Committee of the Traditional Medicine Society should make the inheritance and development of traditional national medicine in a selective manner and based on scientific strategy to work out correct policies and measures for the development of this area of activity. They should adopt a systematic attitude, respect the objective character, and regard effectiveness as a standard for building Vietnamese medicine. This includes developing and improving traditional medicine. They should work out an urgent program to carry out various activities such as exploiting, inheriting, improving, and applying traditional medicine. Here I would like to emphasize the need to raise animals and plant trees for medical purposes, process a wide range of medicinal products, and refine these products both in their contents and their

appearance, trying to make their wrappers more attractive for the promotion of domestic consumption and export. This is to serve the people and generate more operating funds for the Traditional Medicine Society. Above all, this will contribute to building the national economy with the hard currencies earned from exports.

It is necessary to preserve and translate books on traditional national medicine and import those books that are needed for research and teaching.

We should use all appropriate means to train a contingent of cadres with indepth knowledge of traditional medicine. Talented veteran physicians with unique experiences should pay attention to passing their knowledge on to the younger generation.

As the Traditional National Medicine Society is a professional one, it should strive to renovate itself organizationally and in terms of the substance and methods of its activity to suit the country's changes and bring realistic results.

It is necessary to develop the tradition of solidarity, cooperation, study, and mutual assistance among members, as well as between traditional medicine practitioners and those cadres working in modern medicine. These two areas of medicine—oriental and occidental medicine—should cooperate with each other. They should prove through their practical action that they are a solid prop of the public health sector, while the public health sector should, in turn, create favorable conditions for the Traditional Medicine Society to work effectively. Only by doing so can we quickly bring our country's medicine into play.

As the Traditional Medicine Society is a mass organization under the party leadership and the state management, party committee echelons should concern themselves with leading, guiding, and helping it in its operations.

I propose that the Council of Ministers, the Public Health Ministry and the people's committees at various levels consider formulating appropriate policies to promote traditional medicine development while creating conditions for the Traditional Medicine Society to satisfactorily fulfill all its assigned missions. [end recording]

Party Holds Meeting on Information Service

BK1412142190 Hanoi Domestic Service in Vietnamese 1430 GMT 13 Dec 90

[Text] The Central Organization Department of the party committee held a meeting for cadres who work in the general statistical information service of provincial party organizations from Quang Binh outwards and for the party committees of sections belonging to the central level to discuss measures to improve the quality of the work in the general statistical information service and to organize party construction work to back up the leadership and guidance work of the party committees.

The representatives exchanged practical experiences to further enhance the quality of work, to initially serve the party solidarity movement, and to prepare for the party congress at all levels.

Confirming the renovation and upgrading of the information service is one of the renovations of the party leadership.

Finnish Grant To Improve Water Works, Transport

BK1512153290 Hanoi VNA in English 1500 GMT 15 Dec 90

[Text] Hanoi VNA December 15—The Finnish government will grant Vietnam gratuitous aid for 1991 and the 1991-94 period to improve the water supply works in Hanoi and the Port City of Haiphong as well as the country's transport capacity.

This is stipulated in an agreement signed here this morning at the end of a two-week official visit to Vietnam by an economic delegation of the Finnish government. Signatories were Ho Huan Nghiem, vice chairman of the State Planning Committee of Vietnam, and Benjamin Bassin, general director of the Finnish International Development Agency.

While here, the Finnish delegation had working sessions with a delegation of the Vietnamese State Planning Committee headed by Ho Huan Nghiem.

On December 14, the delegation was received by Chairman of the Council of Ministers Do Muoi, who expressed thanks to the Finnish government and people for their valuable assistance to the Vietnamese people's national construction and economic development.

The Finnish guests visited a number of production establishments in Hanoi and Haiphong, and the Finnish-funded shipyard at Pha Rung in Quang Ninh Province.

UNICEF To Fund Environmental Sanitation Plan

BK1612083690 Hanoi VNA in English 0708 GMT 16 Dec 90

[Text] Hanoi VNA December 16—In the past three years, 1,404 water wells were sunk under [a] UNICEF-funded water supply programme for Ho Chi Minh City.

It is expected that 102 more wells will be sunk in the outer suburbs of the city by the end of this year.

Besides, five suburban districts of the city have built 150 suburban-Indian style latrines as part of the "Environment Sanitation" Programme financed by UNICEF.

A total of 300 latrines will be built this year.

Oceanological Seminar Held With Soviet Union*BK1812111490 Hanoi VNA in English 0711 GMT
18 Dec 90*

[Text] Hanoi VNA Dec 18—A seminar on oceanological meteo-hydrology was held in the port city of Haiphong recently in the framework of the Vietnam-USSR programme for meteo-hydrological cooperation.

Twenty-six scientific papers including 11 interventions by Soviet scientists were presented at the seminar. Since 1988 Soviet and Vietnamese researchers have made four joint surveys on Vietnam's continental shelf to collect data on meteo-hydrological characteristics and water contamination in the country's territorial waters. So far 210 gauging stations, many of them automatically controlled, have been installed in Vietnam's continental shelf with Soviet assistance.

Science Commission, UNDP Officials Sign Accord*BK1612080890 Hanoi Domestic Service in Vietnamese
1100 GMT 14 Dec 90*

[Text] On 14 December in Hanoi, Mr. David Smith, resident representative of UNDP [United Nations Development Program] in Hanoi, and Professor Le Qui An, deputy director of the State Science Commission, signed a short-term project on consultancy cooperation.

The objective of the project is to provide Vietnam with a contingent of highly professional foreign specialists to directly help tackle priority tasks undertaken by the various ministries and branches concerned, as well as to give short-term technical consultation to different economic sectors.

The short-term consultancy project also aims at strengthening the competence of and relations among scientific-technical and socioeconomic cadres inside and outside the country.

The project is scheduled to begin two years from now and involves a total budget of \$200,000, to be provided by the UNDP.

UNDP Helps Improve Services to Exporters*BK1812151590 Hanoi VNA in English 1439 GMT
18 Dec 90*

[Text] Hanoi VNA December 18—The United Nations Development Programme (UNDP) has decided to contribute to the project entitled "Upgrading Vinacontrol Capability for Quality Assurance of Export Products" of the Ministry of Commerce.

The project document was signed by Dinh Phu Dinh, vice minister of the Ministry of Commerce, on behalf of the Vietnamese Government, and David Smith, resident representative of UNDP in Hanoi.

The UNDP contribution for this project totals 525,000 US dollars and that of the government, 63,505,000 VNDong.

The project has been designed to help Vinacontrol provide improved services to exporters in the areas of pre-shipment inspection, quality improvement and assurance up to international standards and buyers requirements. The testing laboratories in Ho Chi Minh City, Hai Phong, and Hanoi will be upgraded. Training will also be provided to project personnel.

Do Muoi Receives UNDP-Funded Project Advisers*BK1912084290 Hanoi VNA in English 0712 GMT
19 Dec 90*

[Text] Hanoi VNA Dec. 19—Do Muoi, chairman of the Council of Ministers, has recently received a group of advisors to the project on the setting up of a Centre for Computer Training and Application at the Institute of Informatics funded by the United Nations Development Program (UNDP).

While here, the advisors attended a meeting between UNDP, UNESCO and the Vietnam Institute of Sciences to evaluate the results of the implementation of the project since Jan. 1989. The participants unanimously agreed that the project has made noticeable contributions to training personnel in informatics and providing technical assistance to informatics application in Vietnam. The advisors also have lectures on modern issues of informatics, and compared notes with the Institute of Informatics on the development of informatics in Vietnam and in the world.

Minh Hai Disciplines 1,400 Party Members*BK1112120190 Hanoi Domestic Service in Vietnamese
2300 GMT 6 Dec 90*

[Text] Since early this year, the party committee of Minh Hai Province has inspected the performance of more than 14,500 party committee members at various levels. It has taken disciplinary action against 1,400 party members, including 19 district party committee members and nearly 200 basic party committee members. The provincial party committee has decided to expel from the party 300 members charged with deviationism, violations of the law and the party statutes, authoritarianism, bullying the masses, and debauchery.

Hai Hung Solicits More Ideas for Party Documents*BK0912043390 Hanoi Domestic Service in Vietnamese
1100 GMT 3 Dec 90*

[Text] Hai Hung provincial party committee recently held a conference of key cadres of sectors, branches, and mass organizations to study and contribute ideas to draft documents of the Seventh Communist Party of Vietnam [CPV] Congress, namely the draft platform on socialist

construction for the transition period and the draft strategy of socioeconomic stabilization and development up to the year 2000.

The provincial party committee is providing guidance to echelons of party committees to organize a democratic drive to solicit extensive ideas from cadres, party members, and the people to the above draft documents. The province also urged cadres and the people to contribute their ideas through letters to responsible organs in the localities.

War Veterans Association Activities Reviewed

*BK1212143190 Hanoi Domestic Service in Vietnamese
2330 GMT 5 Dec 90*

[Article by Minh Hai on "organization and activities of the Vietnam War Veterans Association"]

[Summary] During the past more than 50 years, under the leadership of the Communist Party of Vietnam [CPV] and great President Ho Chi Minh, a large number of cadres and combatants of our Armed Forces have, together with the people, valiantly fought and defeated aggressive enemies and their henchmen, thus triumphantly liberating the nation, unifying the country, and fulfilling the international obligation.

"Many comrades of the Armed Forces have sacrificed their lives for the fatherland, while a few million war veterans are still alive and are working with the people to triumphantly build socialism and defend the socialist Vietnamese fatherland.

"The earnest aspiration of the war veterans is to continue contributing their efforts to the socialist revolutionary cause so as to prove themselves as being worthy of the confidence accorded them by the party and state."

In response to the requirement of the revolutionary cause and the earnest aspiration of the war veterans, the CPV Central Committee Political Bureau on 6 December 1989 issued a decision establishing the Vietnam War Veterans Association [VWA].

"On 1 October 1990, Comrade General Secretary Nguyen Van Linh signed a decision affirming that the VWA is a revolutionary mass collective under the CPV leadership, that its political and social activities must be carried out in the framework of the CPV's line, objective, and policy as well as the Constitution and the state law, and that it is affiliated with the Vietnam Fatherland Front [VFF]."

The purpose of the VWA is to strengthen unity among the Vietnamese war veterans, strive to maintain and develop the revolutionary tradition of the heroic Vietnamese People's Army, contribute efforts to strengthen the all-people national defense, motivate the people to implement the party and state lines and policies, struggle

to oppose negativism, contribute to protecting the revolutionary gains, and help to maintain social order and safety.

"Regarding international relations, the VWA strives to establish friendly relations with war veterans associations of socialist countries and progressive war veterans organizations of nations with an aim to struggle against wars of aggression, strive to maintain peace, and promote friendship and solidarity among nations."

Since its foundation a year ago, the VWA has had more than 200,000 members. Its provisional executive committee held that in the first stage only enthusiastic persons who have gained prestige from among the people will be invited to join the association and that afterward qualified persons will be admitted for membership.

Apart from establishing its organizations at the provincial level, the VWA also sets up its grass roots organizations at the village, subward, and town levels.

Although the association is only one year old and its actual length of operation has been just barely nine months, it has scored many notable achievements in helping to strengthen national security and maintain social order and safety.

"Comrade Vu Oanh, secretary of the CPV Central Committee, who is in charge of mass mobilization work, commented at the recent party conference reviewing the implementation of the party Central Committee's Eighth Plenum resolution that despite coming into being for a short period of time, the VWA has made many positive, useful contributions to the political and social activities in localities."

Commemorating the first VWA founding anniversary at the time when our entire party and people are enthusiastically discussing and contributing ideas to the draft documents of the upcoming Seventh CPV Congress, all members of the association are striving to participate more actively in the politico-socioeconomic activities of the nation.

Hanoi Youth Union Cadres Discuss Party Platform

*BK1412110190 Hanoi Domestic Service in Vietnamese
1100 GMT 13 Dec 90*

[Text] The Ho Chi Minh Communist Youth Union of Hanoi recently arranged for its key cadres to make suggestions to the draft platform on socialist construction for the transitional period. Most of the cadres approved the party's platform and unanimously accepted its contents as well as the line and policies it defined, and the way it raised various issues. Many held that youth constitutes a force of young people, the generation that will assume heavy responsibilities in the years ahead and fulfill the socioeconomic targets as laid down by the platform.

The question that caused the most concern to the participants during their lively discussions was that the

human strategy spelled out in the platform was still vague, although man is the most important factor for all success.

Settlement of Nomads in Quang Nam-Danang

BK1712082490 Hanoi Domestic Service in Vietnamese 0500 17 Dec 90

[Text] The mountainous regions of Quang Nam-Danang Province cover more than 55 percent of the provincial area where 13,000 ethnic minority families of 13 different nationalities are living scattered in 700 locations contained in 55 villages.

Since 1976, some 490 million dong have been invested by the province in building initial material facilities to accommodate the settlement of 6,800 households of Co Tu, Xo Dang, Ra, Xinh, and Co tribes.

Over the past 15 years, leveled land in the areas of settled farming and life have been reclaimed to grow secondary food crops or wet rice, and some water conservation projects have been built to introduce some technological progress into agricultural production and to bring the per capita volume of grain production to 286 kilograms in 1989.

Value of Exports Increases by 29.2 Percent

BK1712153990 Hanoi VNA in English 1445 GMT 17 Dec 90

[Text] Hanoi VNA December 17—Vietnam achieved a total export value of 1,962 million roubles and dollars and an import value of 2,231 million rubles and dollars in the past 11 months, it is reported by the Commerce Ministry.

The value of exports represents 91.3 percent of this year's plan, up by 29.2 percent, while the import value represents 87.8 percent of the plan, up by 13.5 percent over the same period last year.

The ministry also noted a substantial decrease of trade between Vietnam and East European countries due to the socioeconomic changes there along with an upward trend in the trade with other countries. In the past 11 months the value of exports to region 1 (socialist countries) reached 884.5 million rubles and imports, 1,164.9 million rubles, while exports to region 2 (non-socialist countries) were 1,072.6 million U.S. dollars and imports, 1,066 million U.S. dollars.

The biggest export lines are rice and crude oil. The country plans to export 1.5 million [metric] tons of rice and 2.5 million tons of crude oil this year.

Ministry Sets Up Joint-Stock Airline Company

BK1912083890 Hanoi International Service in English 1000 GMT 18 Dec 90

[Text] Ministry of Post and Transport and Communication last week decided to set up the joint-stock airline company named the Pacific Airline which headquartered in Ho Chi Minh City.

The Pacific Airline affiliated to the Vietnam Airline Corporation is allowed to have a joint venture with foreign countries, as there is a law on foreign investment in Vietnam.

The company undertakes to transport passengers, goods, and tourist packages on the air both at home and abroad.

VNA Reports on 'Firm Growth' of Oil Industry

BK1812152590 Hanoi VNA in English 1442 GMT 18 Dec 90

[Text] Hanoi VNA December 18—"The 5 millionth ton of crude oil tapped by VIETSOVPETRO proves the firm growth of Vietnam's oil industry," said V. Vladimir Stepanovich, director general of the Vietnam-Soviet Oil and Gas Joint Venture, at a recent meeting with the press at Vung Tau where it is based.

VIETSOVPETRO has now installed nine oil rigs and a floating oil-supply station together with a complex of on-shore service stations.

Mr. Stepanovich further said that five million tons of crude can fetch 770 million USD. "This is not a small amount and the oil reserve is impressive," he added.

In an interview granted to LAO DONG CHU NHAT (Labour Sunday), Dang Cua, director general of the Vietnam Petro Company (VIETNAMPETRO), said that his company has signed contracts with many foreign partners on the basis of product sharing.

Under these contracts, he explained, the foreign partners will cover all the investments in survey and exploitation in a fixed period of time and a limited area. The initial capital will be refunded if oil is found. If not, the cost will not be reimbursed.

The quantity of oil remaining after deduction for the cost will be divided between the contracting parties at a ratio determined by the quantity of oil tapped.

Besides the Soviet Union, seven foreign companies have so far invested 175 million US dollars in oil prospection. The first of them to have struck oil is Enterprise Oil of Britain which has found oil during a drill about 130 KM off Vung Tau. The initial yield is 300 barrels a day.

Silk Export Value Experiences '9-Fold' Increase

*BK1812111690 Hanoi VNA in English 0724 GMT
18 Dec 90*

[Text] Hanoi VNA Dec 18—The Vietnam Union of Sericulture Enterprises this year reached an export value of 10 million rubles and dollars, a nine-fold increase over 1986.

In the past five years, the union exported 1,284,000 metres of silk fabric, 40,000 kimonos, embroidered table clothes, scarves and handkerchiefs. It got foreign investments totalling tens of million U.S. dollars from its partners in the Soviet Union, Japan, South Korea, the People's Democratic Republic of Korea, Singapore, Italy, and from the World Bank and the Asian Development Bank. This helped increase its silk output to 420 tons [tonnes] in 1990 from 187 tons in 1987.

Fiji**New Indian Party To Run in 1991 Elections***BK1912065890 Hong Kong AFP in English 0650 GMT
19 Dec 90*

[Text] Suva, Dec 19 (AFP)—Fiji's newest political party, the Indian Liberal Party, announced Wednesday it would contest next year's elections despite the intention of other opposition parties to boycott the first polls under the country's racially biased Constitution.

Chairman Swani Maharaj said the party, composed of former Indian supporters of Prime Minister Ratu Sir Kamisese Mara's Alliance Party, would contest all 27 parliament seats allocated to ethnic Indians under the new Constitution. The realistic solution for Fiji's 337,000 Indians was to cooperate with indigenous Fijians, he said.

"There is no need to be militant. The new Constitution is not the end of the road. It is the surest and quickest means to return to democracy," he said.

Fiji's main Indian party, the National Federation Party-Fiji Labour Party coalition, whose government was toppled by an army coup in 1987, has threatened to boycott the elections because the Constitution discriminates against Indians. Indians are only allocated 27 seats compared to 37 for indigenous Fijians, although the population of the two groups is approximately equal.

Malaysian Advice on Trade, Community Sought*BK1812031190 Bangkok BANGKOK POST in English
18 Dec 90 p 5*

[Article by M.G.G. Pillai under the rubric "ASEAN Viewpoint", entitled: "Fiji Seeks KL's Advisory Role"]

[Text] Kuala Lumpur—The Fijian Prime Minister, Ratu Sir Kamisese Mara, in the course of a six-day official visit to Malaysia last month, repeatedly talked on improving bilateral links with Malaysia and reduce Fiji's reliance on Australia and New Zealand for its imports. But the visit had a larger purpose, little of which was mentioned in his public statements: How Malaysia could help Fiji maintain its new political concord in which the Indians and the Melanesian communities would pay a subsidiary role in politics in a system where the Polynesian chiefs, called *ratus*, would remain in control.

Malaysia is keen on an advisory role in Fiji. The trading links are heightened by Malaysian entrepreneurs and traders active in Fiji. Ratu Sir Kamisese said Fiji would import 10,000 barrels of crude oil a day from Kuala Lumpur. He signed an air services agreement for direct flights to the Fijian capital of Suva. Since Dato' Seri Mahathir Mohamed became prime minister in 1981, he has been particularly active in establishing Malaysian links with the South Pacific countries.

After the two military coups d'etat in 1987, Fiji has attempted to import Malaysia's Bumiputra policy, whereby the politically dominant Malay community would control both political and economic power, to ensure a similar political equation dominated by the Fijians. Malaysian officials, especially the former foreign minister, Tan Sri Ghazali Shafie, has advised the government how to go about it.

But even enthusiastic Malaysian officials are surprised at the new constitutional arrangements which provide for communal seats; under the 1970 constitution, which has now been superceded, some candidates would be voted in by members of their community, and the others by everyone. This means that the two principal communities, the Fijians and the Indians, would elect their own representatives to parliament. This, the government hopes, would ensure that the Fijians remain in power. If anything, one official suggested, the Fijian concord was "over-engineered": "There ought to be give-and-take in these arrangements, and this cannot be put into constitutional print," he said.

Like in Malaysia, where Islam is the state religion, Fiji has a strong religious presence. The Christian Methodist faith is the dominant religious influence. The military commander, Major General Sitiveni Rabuka, a devout Methodist, would like active conversion of the non-Christian communities, the Hindus and the Muslims, but Ratu Sir Kamisese and others in power steer clear of the suggestions. But Major General Rabuka's proselytising belief that a common religion would remove barriers that he believes are imposed by differences in religion would remain an everpresent threat. Officials in Kuala Lumpur are upset at this development, especially on the pressure of Muslims to convert to Christianity.

But the enthusiasm for Fiji and the South Pacific is predicated to Malaysia's newfound interest in the area and its desire to prove its Bumiputra policy can be exported to countries with similar political and social backgrounds. There is much that Malaysia can do to help these countries, but that help would have to be on a government-to-government basis.

The movement of Malaysian traders and entrepreneurs there has not been successful. Some of those who went in the first wave were not exactly altruistic or even businesslike in their intentions; at least one of them is now in jail for activities connected with the collapse of a company that was involved in trade with Fiji.

But the Malaysian links with Fiji is not oen that developed in the past decade. During the communist insurgency in Malayya, as the country was then known, from 1948 to 1960, Fijian troops were part of the Commonwealth contingent, which at one time stood at 350,000 troops, that fought there. The Fijian president, Ratu Sir Penaia Ganilau, was stationed at Batu Pahat, in Johore state, about 150 miles south of Kuala Lumpur, as a military officer during this period.

Ratu Sir Kamisese's Alliance Party was based on, and named after, the Alliance coalition party of former Malaysian prime minister, Tengku Abdul Rahman, and the predecessor of the National Front coalition of Prime Minister Dato's Seri Mahathir Mohamed. The town of Penang in Fiji was so named because sugar refinery purchased for an estate in Penang at the turn of the century was moved to Fiji when the estate in the meanwhile converted from planting sugar cane to rubber. Malaysia's "sugar king," Mr Robert Kuok, has a coconut plantation in Fiji and manages the main hotels there.

In his speech to the Malaysian Institute of Strategic and International Studies, Ratu Sir Kamisese justified the current format of the Fijian constitution but blamed Australia, New Zealand and the Fijian Indian community for the travails Fiji had faced since 1987. He alleged that it was the Australian Labour Party which funded the Fijian Labour Party of Dr Timoci Bavadra, a retired government medical doctor; that the government he formed was dominated by Indians, virtually reducing Fijians to second-class status in their own homeland.

But Ratu Sir Kamisese's Alliance Party lost the 1987 elections not because the Indians voted against it but that the Fijians had. Under the 1970 constitution, under which the elections were held, the Alliance Party could not have lost if Fijian voters had not deserted them in droves as they did. One visiting official from Vanuatu, in Malaysia a few months ago, argued that the crisis in Fiji rose not from Indians taking over control, but that a Melanesian chief, which the late Dr Bavadra was, took power in a country where the feudalistic, heirarchical social and political system was, and is, dominated by the Polynesians. There is some truth in that.

Ratu Sir Kamisese defended what he did, arguing that the Australians and New Zealanders would not understand the problems he faced in Fiji until they "had about 8 million and 1.5 million Indians (respectively) in their countries." It became clear during his visit that he wants to reduce Fiji's reliance on the two countries. He attributed to the growing desire of the Fijians to separate themselves from the "overwhelming" influence of the Australians and the New Zealanders, and for their tendency to assume the worst, and attack any development that conflicted with their perception of what ought to be.

He hinted that the two countries were among those unhappy about the constitutional changes now being drafted in Fiji. "The new constitution has met with resistance from leaders of non-indigenous groups who have threatened to boycott the coming elections," he said. He said indigenous Fijians were in a minority in Fiji but they they now reached parity: 48 per cent to 46 per cent Indians and six per cent Europeans, Chinese, other Pacific islanders and those of mixed blood. About 3,000 Indians migrated annually. He alleged that the Indian communities were reluctant to "integrate" with the local communities: "Look at the West Indies, Sri Lanka, Africa, Fiji," he said, "and look at the problems that have happened there."

He said that the military had an influence, but that was declining. Once general elections were held under the new constitution—and that would be held when the new parliament building is completed—the military would have even less of a role than it now has. But as recent as early November, Major General Rabuka told a Fijian newspaper that the military retains, and would retain, its strong presence to ensure that everything went according to plan. After organising two coups d'etat in six months, as he did in 1987, his proprietary vision of his role is not something that the government could ignore, and which any government other than the present one would have to consider very carefully.

He indicated that with the new constitution, now being drafted, and the dominating presence of Australia, New Zealand and the Indian community reduced, the Fijians would breathe easier. Perhaps, it would. But someone ought to tell the Fijians at the bottom of the social structure (whose position is determined by birth) that they should support the ratus and the chiefs, as the concord hopes they would, and not spoil it voting against them or supporting the opposition.

Pacific Island Nations 'Fear' Oil Deal

BK1912105390 Hong Kong AFP in English 0857 GMT
19 Dec 90

[Text] Suva, Dec 19 (AFP)—Eight Pacific island nations fear moves by Fiji to set up its own oil refinery to supply the region will make them dependent on one source, a trade weekly has reported here.

Island energy officials told the December issue of *TRADE NEWS OF THE SOUTH PACIFIC* that they believed a new agreement between Fiji and Malaysia will lock them into accepting oil products from Malaysia.

Fiji's Minister for Energy, Civil Aviation and Tourism David Pickering said here this week the new Fiji National Petroleum Company Ltd. would be operational by April.

It will buy crude from Malaysia's state-run Petronas Company, refine it with the help of Singapore's Esso and then distribute to Fiji's long established oil importers, Mobil, Shell and British Petroleum.

The three companies have thus far imported oil and petroleum products independently from Singapore and Australia and distributed directly to the smaller islands.

But trade news said officials from Vanuatu, Tuvalu, Kiribati, Western Samoa, Tonga, Cook Islands, Nauru and Niue believed Fiji was entering troubled waters if it relied on crude from just one source.

Tautulu Roebach, chief executive of Western Samoa's Energy Department, said he feared that if something happened in Malaysia, at the refinery or to a tanker en-route to the South Pacific, the eight countries could be left indefinitely without fuel.

He said the island governments should have been consulted by Fiji about its new venture because it could not be assumed they would buy Fiji-Malaysian oil. It was not clear what Fiji's proposals were, he added.

Kiribati Minister for Energy Baitika Toum said his government would reconsider buying from Fiji because the prices could be expected to rise significantly.

Fiji's Director of Energy Davenda Kumaran said the new oil project aims to control excessive offshore costs currently paid to the Fiji importers.

It would not be economical for the island states to look elsewhere for their oil, he said.

New Zealand

'No Breakthrough' Seen in U.S. Nuclear Dispute

HK1912062690 Hong Kong AFP in English 0419 GMT 19 Dec 90

[Text] Wellington, Dec 19 (AFP)—New Zealand's Ministry of External Relations and Trade sees no breakthrough in sight on the country's nuclear dispute with the United States, papers released here said Wednesday.

The ministry said in briefing papers drawn up for new Foreign Minister Don McKinnon that the basic disagreement with the United States remained and would persist, "short of some breakthrough as yet unperceived".

The previous Labour Government would not allow foreign warships here unless they confirmed they were not carrying nuclear weapons. As the United States refused to comply and cancelled all ship visits, the ANZUS (Australia, New Zealand and United States) military pact was suspended.

The new conservative government has pledged to improve relations with Washington but has also reaffirmed current anti-nuclear laws.

The ministry said recognition "of the reality of the current situation" by both countries was contributing to a better atmosphere.

"Careful exploration by both countries might reveal ways in which New Zealand and the U.S. could expand that process," the ministry said, adding that the attitude taken by the Australian Government would also be important.

"While the Australian Government has vigorously opposed the New Zealand position on ship visits, it has played a helpful role in urging on the U.S. government a resumption of a wider range of high-level contacts with New Zealand," the ministry said.

On other issues, the ministry said New Zealand would need to consider re-establishing diplomatic relations with a post-apartheid South Africa.

It said a joint study with Australia on the costs and benefits of establishing a single aviation market was

close to completion and said officials were to have talks this month with Japan to advance Air New Zealand's proposal to open services to Nagoya.

The briefing said a more secure, internationally oriented Vietnam could become a significant new market for New Zealand goods and services.

It said it believed there was no near likelihood of France changing its mind over continuing nuclear testing in the Pacific.

Citizens' Dependents Told To Leave Gulf

BK1912004890 Hong Kong AFP in English 0033 GMT 19 Dec 90

[Text] Wellington, Dec 19 (AFP)—New Zealand Wednesday advised dependants of its citizens living in Bahrain, Qatar, and the eastern province and southern parts of Saudi Arabia to leave before the January 15 U.N. deadline.

Foreign Minister Don McKinnon said in a statement it was "common sense advice" because of the possibility of hostilities breaking out after the deadline given Iraq to pull out of Kuwait.

Mr. McKinnon said the advice was not meant to suggest the situation in the Gulf would necessarily worsen.

'Tough Budget' Slashes Welfare Payments

HK1912065690 Hong Kong AFP in English 0449 GMT 19 Dec 90

[Text] Wellington, Dec 19 (AFP)—The New Zealand Government Wednesday introduced a tough new budget dramatically slashing welfare payments in an effort to stave off a budget blow out.

Prime Minister Jim Bolger told parliament that "stiff medicine" was needed.

"We must stop deluding ourselves about our wealth and spending money we do not have," he said.

Unemployment had increased by 88 per cent in the last three years to a current level of around 200,000. A projected budget deficit for the current financial year of billion [as received] dollars (623 million U.S. dollars) could spiral to more than five billion dollars (three billion U.S. dollars) in the 1993-4 financial year.

"These are unsustainable figures," he said.

Following his address Finance Minister Ruth Richardson, in a statement to parliament, announced cuts across a wide range of welfare payments, including total cuts in some categories.

Mr. Bolger had revealed in his speech that welfare spending had risen from 850 million dollars (510 million U.S. dollars) in 1984 to three billion dollars (1.8 billion U.S. dollars) this year.

